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ALASKA TAXABLE

- Municipal Taxation - Rates and Policies
- Full Value Determination
- Population and G.O. Bonded Debt

1986

State of Alaska
Department of Community & Regional Affairs
Municipal & Regional Assistance Division

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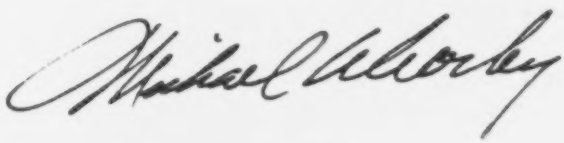
FOREWORD

The Office of the State Assessor owes a debt of gratitude to Bob Kern, Assistant State Assessor, and Traci Carpenter for their contributions in the preparation of Alaska Taxable this year. Bob has been solely responsible for improvements in the quality and accuracy of statistical information reported to the Office by municipal governments, State agencies, and individuals. He has reorganized the presentation of that information and improved the general format of the publication, which has resulted in a significantly improved reference document. Traci was responsible for compiling this year's edition of Alaska Taxable. She has worked diligently and meticulously to ensure the publication is accurate, properly arranged, and permeated with perspicuous pulchritude. For these accomplishments, Bob and Traci deserve recognition and special thanks from our Office.



Michael W. Worley
State Assessor

ALASKA TAXABLE 1986

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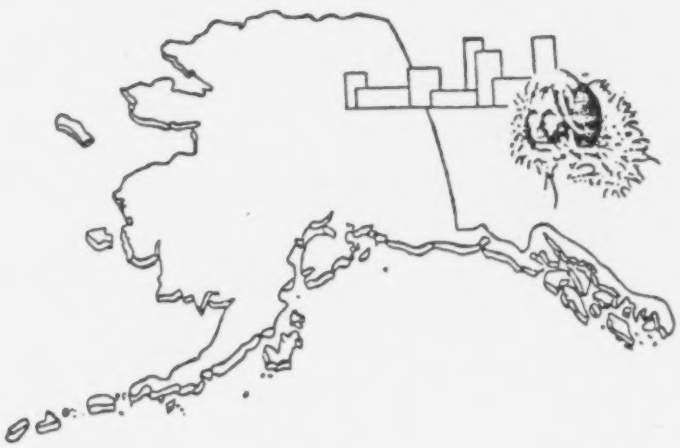

STATE OF ALASKA

Steve Cowper, Governor

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

David G. Hoffman, Commissioner

MUNICIPAL AND REGIONAL ASSISSTANCE DIVISION

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Chapter 1

INTRODUCTION:

The Alaska Property Tax

OFFICE OF THE STATE ASSESSOR

The following are statutory requirements directly related to the duties of the Office of the State Assessor.

Article X, Section 14 of the Alaska Constitution created the Municipal and Regional Assistance Division (formerly the Local Affairs Agency).

House Concurrent Resolution No. 14 of 1961 created the Office of the State Assessor within that Division.

AS 14.17.140: Determination of Full & True Value for State Aid to Education.

AS 28.10.411(d): Senior Citizen Motor Vehicle Tax Exemption.

AS 29.05.210: Assistance to each borough incorporated after December 31, 1985, in

1) establishing initial sales & use tax assessment & collection department if the borough has adopted a sales or use tax;

2) determining initial property tax assessment roll if the borough has adopted a property tax, including contracting for appraisal of property needed to complete the initial assessment.

AS 29.20.640(3): Requirement for Municipalities to Report Assessment Statistics to the Office of the State Assessor.

AS 29.45.030(e)-(i): Senior Citizen and Disabled Veteran Tax Exemption.

AS 29.45.060: Agricultural Use Assessment.

AS 29.45.103-105: Monitoring of Municipal Property Tax Procedures.

AS 29.45.040: Senior Citizen and Disabled Veteran Renters Tax Rebate.

AS 29.60.030(d)-(e): Determination of Full & True Value for Revenue Sharing Program.

AS 43.56.010(c) and AS 29.53.045(c): Determination of Full & True Value for Municipal Assessment Limit.

AS 44.33.403(4)(a): Verification of Real Property Market Value.

AS 44.47.050(20): Authority to Inspect Municipal Assessment Records.

AS 47.65.040(c)(1): Older Alaskans Commission Funding Formula.

CHAPTER I

INTRODUCTION

THE ALASKA PROPERTY TAX

The Power to Tax

The power to tax is an essential power of state sovereignty, not depending on a grant of authority from its constitution. However, constitutional provisions regarding taxation serve to define and restrict a state's otherwise unlimited power to tax.

The Alaska State Constitution places three major restrictions on the levy of property taxes:

1. "No tax shall be levied .... except for a public purpose." (Article IX, Section 6)

2. "Standards for appraisal of all property assessed by the State or its political subdivisions shall be prescribed by law." (Article IX, Section 3)

3. "The State may delegate taxing powers to organized boroughs and cities only." (Article X, Section 2)

Unlike the state, boroughs and cities do not possess any inherent power of taxation; though some power has been granted by the State Constitution or the statutes. The power of taxation, therefore, is an extraordinary one; the administration of which is not to be left to implication or inference. For that reason, the Alaska Statutes, together with certain Attorney General's opinions and court decisions, clearly delineate the jurisdiction of municipalities in the assessment, levy, and collection of property taxes.

Uniform Measures

"Taxes are said to be 'equal and uniform' when no person or class of persons in the taxing district, whether it be state, county, or city, is taxed at a different rate than are other persons in the same thing, and where the objects of taxation are the same, by whomsoever owned or whatsoever they may be." (Weatherly Independent School Dist. V. Hughes, Tex Civ. App. 41 S.W. 2nd 445, 447.)

The first step toward establishing uniform assessment procedures in Alaska was taken in 1961-62 when the House of Representatives and the Senate, responding to Section 3 of Article IX of the State Constitution (cited above) passed House Concurrent Resolution No. 14 (HCR 14). This resolution required the Local Affairs Agency (now the Division of Municipal & Regional Assistance within the Department of Community & Regional Affairs) to prepare a study of assessment problems and procedures in Alaska, a manual for assessors and a report recommending any legislation necessary "to assure a uniform, equalized, and realistic assessment of property throughout the state." The resolution further authorized the Agency (now the Department) to inspect the records of equalization, to hire an assessor, and to hold any hearings deemed necessary for the preparation of the study, the manual, and the report.

The Local Affairs Agency, together with the Alaska Association of Assessing Officers, originally published the manual in 1963. That manual has been periodically updated with the latest revisions made in 1967.

There have been a number of reports and studies done by the Division of Municipal & Regional Assistance, the most recent of which was "An Examination of Property Tax Exemptions," prepared and distributed for the Second Session of the Eleventh Legislature (1980).

In addition to HCR 14, in 1962 the Legislature adopted AS 14.17.140 requiring "...the Department of Community and Regional Affairs, in consultation with the assessor for each district, shall determine the full and true value of the taxable real and personal property in each district."

The full and true value estimate, prepared pursuant to the above statute, is used as the uniform measure of wealth for many state programs (Table IV).

Definition of Full and True Value

Full and true value, as the basis for the full value determinations, may be defined as "...the estimated price which the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer, both conversant with the property and with prevailing general price levels." (AS 29.45.110 AM. CH 74 SLA 85.) Full and true value determinations are made annually by the State Assessor in conformance with uniform standards as defined in Attorney General Opinion No. 18, 1962.

The Full Value Determination

Local control is a basic premise in Alaska's local government structure. As a result of that premise, municipalities have a unique amount of flexibility in the area of property tax administration.

There are numerous optional exemptions that may or may not be adopted, as a local government desires; they are discussed in AS 29.44.050.

In addition to optional exemptions, municipalities reassess based on several different time frames. Those time frames range from a reassessment every year to every four or five years.

Even though local systems vary widely, a common unit to uniformly measure local values was needed. The Full Value Determination prepared by the State Assessor, Division of Municipal & Regional Assistance, became that measure.

Through the use of sales studies, as described in Chapter II, and with the assistance of local assessors, the State Assessor is able to adjust locally generated values to compensate for optional exemptions and the varying reassessment cycles.

Program Uses

The major programs using the full and true value estimate are:

1. State Revenue Sharing - the formula used to compute a municipality's State Revenue Sharing entitlement is based on relative wealth (full value determination) and local effort (locally generated revenues);

2. the Public School Foundation's funding formula uses full value determination as one of its components;

3. the local match portion of Cultural Facilities Grants is partially based on the full value determination;

4. some grants for Senior Citizen programs are based on the full value determination; and

5. the ability to bond for local programs is affected by full value determination.

Tax Limitation

There are four statutory tax limitations in Alaska. They apply to varying degrees and under various circumstances as explained below. In each case, the limitation applies only to expenditures for operating costs of local government. There is no limit on taxation to pay bonded indebtedness.

1. Second Class Cities may not levy taxes which exceed one half of one percent (.5%) of the assessed value of property within the municipality in any one year.

2. Any other type of municipality may not levy taxes which exceed three percent (3%) of the assessed value of property within the municipality in any one year.

3. No municipality, or combination of municipalities occupying the same geographic area, may levy taxes exceeding $1500 per resident in any one year. *

4. No municipality, or combination of municipalities occupying the same geographic area, may levy taxes which exceed the product of 225 (225%) percent of the average per capita full and true value of property in the state multiplied by the number of residents of the taxing municipality. *

* The limitation described in Item 4 negates Item 3. In every instance, potential revenues obtained through the use of Item 4 would exceed those obtained by the use of Item 3.

Errors In Municipal Assessment, Valuation, or Taxation Records

Alaska Statutes 29.45.103-105 were amended in Chapter 14 SLA 1984 for the purpose of reviewing municipal assessments, valuation, or taxation records and providing for notice of major errors:

Sec. 29.45.103. Taxation records. (a) Municipal records dealing with assessment, valuation or taxation may be inspected by the State Assessor or a designee.

(b) If a municipality's assessment and valuation has been done by a private contractor, records concerning the municipality's valuation and assessment shall be made available to the State Assessor or a designee on request.

Sec. 29.45.105. Errors in taxation procedures. (a) If a municipality receives a notice from the State Assessor that major errors have been found in its assessment, valuation or taxation procedures, the municipality shall correct its procedures before the beginning of the next fiscal year or file an appeal under (b) of this section.

(b) A municipality may appeal a notice from the State Assessor that it has made a major error in assessment, valuation or taxation procedures by filing an appeal with the commissioner within 30 days after receipt of notice of error.

(c) The commissioner, after consulting with the Alaska Association of Assessing Officers, shall render a decision within 60 days after the receipt of a request under (b) of this section. If the commissioner determines that a major error has been made in assessment, valuation or taxation procedures the commissioner shall notify the municipality of changes that must be made and the municipality shall correct its procedures before the beginning of the next fiscal year.

(d) If errors in its assessment, valuation or taxation procedures have resulted in a loss of revenue to the state, the municipality shall reimburse the state for the amount of revenues lost. (§ 12 ch 74 SLA 1985)

CHAPTER 39, ERRORS IN MUNICIPAL ASSESSMENT, VALUATION, OR TAXATION RECORDS,

Section
10. Inspection of records
20. Notice of errors found
30. Appeal
900. Definitions

19 AAC 39.010 INSPECTION OF RECORDS. (a) The state assessor will, in his or her discretion, inspect municipal records dealing with assessment, valuation, or taxation.

(b) If a written complaint of an alleged major error in a municipality's assessment, valuation, or taxation procedures is submitted to the state assessor, the state assessor will, in his or her discretion, investigate the complaint. If an investigation is prompted by a complaint, the state assessor will give at least 30 days notice to the municipal assessor, stating the nature of the complaint and the state assessor's intention to investigate the complaint. The municipal assessor may participate in the review process. (Eff. / / , Register)

Authority: AS 29.45.103
AS 44.47.050(19)
AS 44.47.980

19 AAC 39.020. NOTICE OF ERRORS FOUND. (a) Immediately following a review of municipal records dealing with assessment, valuation, or taxation, the state assessor will discuss with the municipal assessor any errors found in the course of the review.

(b) The state assessor will inform a municipality of any major errors discovered in the municipality's assessment, valuation, or taxation records. The major error will be resolved in the manner described in (c) or (d) of this section, in the state assessor's discretion.

(c) The state assessor will, in his or her discretion, verbally inform a municipality of a major error and work with the municipality informally to correct the problem.

(d) The state assessor will, in his or her discretion, send an official notice of a major error by certified mail, return receipt requested, which will contain at least the following information:

(1) a brief description of the major error found; and

(2) a directive to the municipality to correct the major error before the beginning of the next fiscal year.

(e) The state assessor will provide a copy of all notices of major errors issued under (d) of this section to the commissioner and to the Alaska Association of Assessing Officers. (Eff. / / , Register)

Authority: AS 29.45.105
AS 44.47.050(19)
AS 44.47.980

19 AAC 39.030. APPEAL. (a) If a municipality elects to appeal, under AS 29.45.105, a determination made by the state assessor, it shall provide a copy of its appeal to the Alaska Association of Assessing Officers.

(b) In deciding the appeal, the commissioner will consult with the Alaska Association of Assessing Officers and the appellant, and will, at the commissioner's discretion, consult with others. Parties to the appeal may offer testimony and may submit briefs and other evidence in support of their respective positions.

(c) Within 60 days after receiving the appeal, the commissioner will send a decision by certified mail, return receipt requested, to the municipality. In addition, the commissioner will send a copy of the decision to the Alaska Association of Assessing Officers. If the commissioner determines that a major error has been made in the municipality's assessment, valuation, or taxation procedures, the commissioner will notify the municipality of the changes that must be made. The municipality shall then correct its procedures before the beginning of its next fiscal year.
(Eff. / / , Register)

Authority: AS 29.45.105
AS 44.47.050(19)
AS 44.47.980

19 AAC 39.900. DEFINITIONS. As used in this chapter:

(1) "commissioner" means the commissioner of the Deparment of Community and Regional Affairs;

(2) "major error" means a violation of federal, state, or municipal property tax law;

(3) "state assessor" means the state assessor in the Department of Community and Regional Affairs, or a designee from the office of the state assessor. (Eff. / / , Register)

Authority: AS 29.45.105
AS 44.47.050(19)
AS 44.47.980

Chapter 2

POPULATION, VALUATION, & GENERAL OBLIGATION BONDED INDEBTEDNESS

OVERVIEW
POPULATION, VALUATION, AND GENERAL OBLIGATION BONDED DEBT

ALASKA LOCAL GOVERNMENT

Organized Boroughs and Unified Home Rule Municipalities

Unified Home Rule	3
Home Rule	1
First Class	1
Second Class	6
Third Class	1
Total	12

Organized Cities

	Within Boroughs	Outside of Boroughs	Total
Home Rule	7	5	12
First Class	6	16	22
Second Class	24	89	113
Total	37	110	147

The organized borough concept of areawide local government, rather than the traditional county form of government, was adopted for Alaska primarily because most of its land was uninhabited. As development and the subsequent need for community services occurs, the borough concept provides a mechanism for annexation or incorporation, as necessary, of the unorganized borough.

Organized boroughs, and home rule and general law cities which are outside the corporate limits of boroughs, have general municipal responsibilities and powers including areawide education, property assessment and collection of taxes, and planning and zoning. Second class cities have limited taxing powers but no educational responsibility. In the unorganized borough, education is provided totally from state funds.

STATE POPULATION: July 1, 1986 (AS 29.88.015.(a)) The following population figures were estimated by the Department of Community and Regional Affairs for purposes of establishing the revenue limit under AS 29.53.050 and for distributing state shared revenues under AS 29.88.

Municipalities	Estimate
*12 organized boroughs	489,617
5 home rule cities]	
16 first class cities]	29,132
89 second class cities	33,362
Subtotal	552,111
Unincorporated areas of the unorganized borough	16,270
Total	568,381

* Population figures for organized boroughs include residents of the 37 home rule and general law cities located inside borough boundaries.

Municipal population figures as reported were compiled and used by the Department of Community and Regional Affairs for allocation of payments under the State Revenue Sharing Program (AS 29.88 and AS 29.89). All population figures are as of July 1, 1986.

FULL VALUE DETERMINATION: JANUARY 1, 1986

Area	(AS 29.45) Local Taxable Full Value	(AS 43.56) State Taxable Full Value (Oil and Gas)	(AS 14.17) Full Value Determination
Taxing Jurisdictions	$35,475,301,700	$15,843,655,300	$51,318,957,000
Unorganized Borough	-0-	3,707,364,400	3,707,364,400
Total	$35,475,301,700	$19,551,019,700	$55,026,321,400

AVERAGE PER CAPITA FULL AND TRUE VALUE: JANUARY 1, 1986
(including state assessed oil & gas)

Area	Full Value	Est. 7-1-86 Population	Per Capita Value
State of Alaska	55,026,321,400	572,029	96,195

These valuation figures represent the Department's equalized full value figures for taxable real and personal property within 49 home rule and general law municipalities and include the value of oil and gas related property as valued by the State Department of Revenue, Petroleum Revenue Division.

AVERAGE PER CAPITA FULL AND TRUE VALUE: JANUARY 1, 1986
(excluding state assessed oil & gas)

Area	Full Value	Est. 7-1-86 Population	Per Capita Value
State of Alaska	35,475,301,700	572,029	62,017

GENERAL OBLIGATION BONDED DEBT: JULY 1, 1986

Area	Total Debt	Est. 7-1-86 Population	Per Capita Debt
Municipalities	2,673,576,300	555,759	4,811
State of Alaska	706,883,000	572,029	1,236
Total	3,380,459,300	572,029	5,910

These debt figures are the total general obligation bonded indebtedness figures as reported by all municipalities and by the State of Alaska.

TABLE I

VALUATION, POPULATION, AND G.O. BONDED DEBT

Per capita valuation, per capita general obligation bonded debt, and debt as a percent of valuation are reported in Table I. Included are organized boroughs and home rule and general law municipalities. Excluded are cities of the second class without debt or for which no valuation data is available. Data reported below for debt and population is as of July 1.

YEAR	MUNICIPALITIES' DEBT	STATE OF ALASKA DEBT	TOTAL DEBT	POPULATION	PER CAPITA DEBT
1975	351,421,098	392,508,000	743,929,098	379,286	1,961
1976	420,807,982	462,923,000	883,730,982	393,167	2,248
1977	519,599,526	530,008,000	1,049,607,526	398,983	2,631
1978	545,227,664	596,213,000	1,141,440,664	423,541	2,695
1979	768,508,903	670,503,000	1,439,011,903	429,649	3,349
1980	827,112,294	573,186,000	1,400,298,294	464,295	3,016
1981	1,091,019,504	701,178,000	1,792,197,504	422,187	4,245
1982	1,316,204,221	842,413,000	2,158,617,221	464,460	4,648
1983	1,619,154,450	946,183,000	2,565,332,450	516,324	4,968
1984	2,105,810,849	924,008,000	3,029,818,849	547,475	5,534
1985	2,084,098,600	816,100,000	2,900,198,600	566,657	5,118
1986	2,673,576,300	706,883,000	3,380,459,300	572,029	5,910

TABLE I
VALUATION, POPULATION, AND G.O. BONDED DEBT

BOROUGHS	R/P TOTAL FULL VALUE	STATE ASSESSED	TOTAL FULL VALUE	G.O. DEBT	POPULATION	PER CAP DEBT	PER CAP VALUE
ANCHORAGE	$19,269,506,000	$73,850,800	$19,343,356,800	$482,669,900	248,263	$1,944	$77,915
BRISTOL BAY	$101,541,000	$0	$101,541,000	$3,395,000	1,271	$2,671	$79,891
FAIRBANKS (CITY)	$1,505,067,500	$0		$7,410,000	25,511	$290	$58,997
North Pole	233,163,800	0		921,000	1,640	562	142,173
Other	2,376,932,700	0		94,300,000	47,025	2,005	50,546
TOTAL	$4,115,164,000	$611,749,900	$4,726,913,900	$102,631,000	74,176	$1,384	$63,726
HAINES (CITY)	$46,983,900	$0		$905,700	1,079	$839	$43,544
Other	50,637,700	0		440,000	768	573	65,935
TOTAL	$97,621,600	$0	$97,621,600	$1,345,700	1,847	$729	$52,854
JUNEAU (CITY)	$441,714,200	$0		$0			
Douglas	114,040,700	0		0			
Other	1,133,237,400	0		58,898,000			
TOTAL	$1,688,992,300	$0	$1,688,992,300	$58,898,000	29,370	$2,005	$57,507
KENAI (HOMER)	$263,380,400	$0		$2,104,000	4,020	$523	$65,518
Kenai	366,071,500	0		5,430,000	6,434	844	56,896
Seldovia	25,863,900	0		359,000	678	529	38,147
Seward	177,339,400	0		7,258,000	2,279	3,185	77,815
Soldotna	261,118,300	0		5,942,000	3,597	1,652	72,593
Other	2,315,000,800	0		193,557,900	21,911	8,834	105,655
TOTAL	$3,408,774,300	$496,567,400	$3,905,341,700	$214,650,900	38,919	$5,515	$100,345
KETCHIKAN (CITY)	$573,528,000	$0		$9,910,000	8,414	$1,178	$68,164
Other	330,856,100	0		20,094,000	5,900	$3,406	$56,077
TOTAL	$904,384,100	$0	$904,384,100	$30,004,000	14,314	$2,096	$63,182
KODIAK (CITY)	$335,462,900	$0		$2,165,000	6,668	$325	$50,309
Other	216,984,500	0		30,635,000	7,284	4,206	29,789
TOTAL	$552,447,400	$0	$552,447,400	$32,800,000	13,952	$2,351	$39,596
MAT-SU (PALMER)	$162,157,300	$0		$1,848,000	3,116	$593	$52,040
Houston	53,354,100	0		0	821	0	$64,987
Wasilla	382,507,000	0		0	3,977	0	$96,180
Other	2,117,111,000	0		164,455,000	36,366	$4,522	$58,217
TOTAL	$2,715,129,400	$1,626,500	$2,716,755,900	$166,303,000	44,280	$3,756	$61,354
NORTH SLOPE	$417,740,700	$13,153,045,600	$13,570,786,300	$1,427,472,000	11,956	$119,394	$1,135,061
NORTHWEST ARCTIC	$235,045,200	$0	$235,045,200	$0	6,696	$0	$35,102
SITKA	$441,175,000	$0	$441,175,000	$26,920,000	8,221	$3,275	$53,664
TOTAL BOROUGHS	$33,947,521,000	$14,336,840,200	$48,284,361,200	$2,547,089,500	493,265	$5,164	$97,887

TABLE I - cont'd

CITIES	R/P TOTAL FULL VALUE	STATE ASSESSED	TOTAL FULL VALUE	G.O. DEBT	POPULATION	PER CAP DEBT	PER CAP VALUE
BETHEL	$191,411,600	$0	$191,411,600	$944,800	4,462	$212	$42,898
CORDOVA	$123,982,300	$0	$123,982,300	$893,600	2,520	$355	$49,199
CRAIG	$37,304,700	$0	$37,304,700	$40,200	1,167	$34	$31,966
DELTA JUNCTION	$32,414,000	$0	$32,414,000	$0	1,207	$0	$26,855
DILLINGHAM	$107,515,700	$0	$107,515,700	$0	2,153	$0	$49,938
EAGLE	$8,491,000	$0	$8,491,000	$0	185	$0	$45,897
GALENA	$20,106,900	$0	$20,106,900	$841,100	998	$843	$20,147
HOONAH	$29,237,500	$0	$29,237,500	$0	906	$0	$32,271
HYDABURG	$13,417,800	$0	$13,417,800	$0	475	$0	$28,248
KAKE	$12,188,400	$0	$12,188,400	$88,000	665	$132	$18,328
KING COVE	$24,391,400	$0	$24,391,400	$0	552	$0	$44,187
KLAWOCK	$5,841,100	$0	$5,841,100	$120,000	693	$173	$8,429
NENANA	$18,099,500	$0	$18,099,500	$2,440,900	552	$4,422	$32,789
NOME	$151,635,000	$0	$151,635,000	$2,001,200	3,876	$516	$39,122
PELICAN	$14,987,400	$0	$14,987,400	$0	213	$0	$70,363
PETERSBURG	$135,355,400	$0	$135,355,400	$5,740,000	3,252	$1,765	$41,622
ST. MARY'S	$4,451,200	$0	$4,451,200	$75,000	563	$133	$7,906
SAND POINT	$74,641,100	$0	$74,641,100	$0	890	$0	$83,866
SKAGWAY	$59,036,600	$0	$59,036,600	$804,000	790	$1,018	$74,730
TANANA	$11,755,200	$0	$11,755,200	$0	420	$0	$27,989
UNALASKA	$95,555,400	$9,100	$95,564,500	$3,230,600	1,922	$1,681	$49,721
UNALAKLEET	$20,700,200	$0	$20,700,200	$0	787	$0	$26,303
VALDEZ	$188,152,700	$1,505,174,000	$1,693,326,700	$98,849,000	3,687	$26,810	$459,270
WHITTIER	$21,933,400	$0	$21,933,400	$0	333	$0	$65,866
WRANGELL	$108,670,500	$0	$108,670,500	$10,185,000	2,376	$4,287	$45,737
YAKUTAT	$16,504,700	$1,632,000	$18,136,700	$233,400	462	$505	$39,257
TOTAL CITIES	$1,527,780,700	$1,506,815,100	$3,034,595,800	$126,486,800	36,106	$3,503	$84,047
STATE	$35,475,301,700	$19,551,019,700	$55,026,321,400	$706,883,000	572,029	$1,236	$96,195
TOTAL BOROUGHS	$33,947,521,000	$14,336,840,200	$48,284,361,200	$2,547,089,500	493,265	$5,164	$97,887
STATEWIDE TOTAL	$35,475,301,700	$19,551,019,700	$55,026,321,400	$3,380,459,300	572,029	$5,910	$96,195

Chapter 3

ASSESSMENT STATISTICS AND RATIO STUDIES

- LOCAL ASSESSMENT POLICY
- SALES-ASSESSMENT RATIOS
- FULL VALUE DETERMINATIONS

CHAPTER III

ASSESSMENT STATISTICS

AND RATIO STUDIES

The local assessor has a legal, professional, and ethical responsibility to uniformly value all property within his/her jurisdiction. In addition, it is his/her duty to insure that all values on the assessment roll represent "full and true value" pursuant to AS 29.45.110 (Ch 60 SLA 85).

Assessment ratio studies may be used as a measure of uniformity and a tool to analyze values both within and among jurisdictions. There are two major types of assessment ratio studies that can be conducted. They are sales ratio studies and appraisal ratio studies. The sales ratio study is the predominant method currently used in Alaska, and therefore, will be the only ratio study discussed.

The sales ratio study compares assessed values to sale prices (transacted during a specific time period and carefully verified). The results of these comparisons are generally expressed as a ratio in terms of percentage. The ratios are a result of division. In the process of analysis, the numerator is the assessed value and the denominator is the sale price. This ratio formula is expressed as follows:

$$\frac{\text{ASSESSED VALUE}}{\text{SALE PRICE}} = \text{RATIO (expressed as percentage)}$$

For example, if a residence sells for $100,000 and is assessed at $90,000, the ratio of assessment to sale price expressed as a percentage is 90 percent.

$$\frac{90,000}{100,000} = 90\%$$

Preparation of a Ratio Study

1. Assemble Sales Data

   a. Sources of sales data include, but are not limited to, recorders' offices, local realtors, developers, bankers, etc.

   b. Verify sales data by contacting one of the parties involved (grantee, grantor or realtor).

2. Select Samples

   a. For sales ratio, disbursement of sales should be checked to insure uniform coverage of total areas and to avoid using an overabundance of information from a specific area.

   (b) In all cases, the selection process should be restricted to individual classes of property (residential, commercial, industrial, etc.).

3. Compile Usable Data

   a. Correlate usable sales information into usable listing.

   b. Divide current assessed values by usable sales data and develop individual ratios.

   c. Sort resulting ratios and remove inconsistencies.

4. Compute Statistical Data

   a. Develop weighted mean.

Explanation of Statistical Terms

Weighted Mean is computed by dividing the total of all the assessed values by the total of all the sale prices. This is generally considered to be the most accurate indicator of the overall level of assessment on a unit-wide basis.

Area Multipliers are obtained by dividing the ratio by 1.00. This multiplier can then be applied to assessments to bring a unit to the required level. (Caution: multipliers used unit-wide or areawide tend to distort uniformity.)

Uses of Ratios and Multipliers

The results of sales ratio studies may be applied in several ways depending on the need of the user.

The most common usage comes from state equalization or full value determinations. The normal current procedure for full value determination in Alaska is the use of the weighted mean ratio to determine full value.

Example:

Sale Price	Assessed Value	Ratio
106,000	100,000	94.34%
100,000	106,000	106.00%
109,000	107,000	98.17%
132,000	125,000	94.70%
127,000	130,000	102.36%
122,500	122,500	100.00%
129,000	137,000	106.20%
141,000	140,000	99.29%
966,500	967,500	100.10%

These ratios could also be used by a local assessor to determine the level of assessment and internal equity, or to indicate areas that need professional attention.

Limitations of Use

Assessment ratio studies are devices for obtaining indications of the relation between market values and assessed values, and show general assessment levels within and among areas. Even though these studies indicate areas where inequities exist, they will not, in themselves, correct disparities among individual properties.

A sales ratio study is no more accurate than the information used. Therefore, the utmost care in selecting, screening, and verifying information is essential.

Also, care must be given not to overload a study with specific types of property. The optimum arrangement is to segregate by class (commercial, residential, etc.) and type (improved, vacant, water front, etc.). That procedure allows a proper weight to be used for each class and type of property.

ASSESSMENT RATIO STUDIES

The following can be used by individual municipalities to help monitor assessment performance; indicate the need for general reassessment; or indicate which neighborhoods or types of properties are most in need of reassessment.

Note: The following tests are guidelines only and do not replace statistical tests. In each case, the sample size should be at least 30.

1. If $\overline{(A/S)}/\widetilde{(A/S)}$ is greater than 1.10:

   good indication that over-assessment errors are more prevalent than under-assessment errors.

2. If $\overline{(A/S)}/\widetilde{(A/S)}$ is less than 0.95:

   good indication that under-assessment errors are more prevalent than over-assessment errors.

3. If $\overline{(A/S)}/\overline{\overline{(A/S)}}$ is greater than 1.10:

   good indication that assessment regressivity exists.

4. If $\overline{(A/S)}/\overline{\overline{(A/S)}}$ is less than 0.95:

   good indication that assessment progressivity exists.

Definitions

$\overline{A/S}$ = mean ratio

$\widetilde{A/S}$ = median ratio

$\overline{\overline{A/S}}$ = weighted mean ratio (same as weighted average ratio)

regressivity = assessment bias such that high-valued properties are assessed with lower A/S than low-valued property.

progressivity = assessment bias such that high-valued properties are assessed with higher A/S than low-valued properties.

TABLE II

LOCAL ASSESSMENT POLICY

Notes for Interpretation of Table II

FV = Full and True Value Assessment

EX = Exempt Property

NA = Municipality Does Not Levy Property Taxes

OPTIONAL EXEMPTION: Optional residential exemption up to $10,000 exercised (AS 29.45.050[a])

STATE COLLECTION: State collected, annual motor vehicle tax (AS 28.10.431)

5/15 Optional, $5 & $15 fee collected in lieu of property tax (AS 29.45.050[b][1])

Note: Eight first class cities located outside of boroughs do not levy or collect property taxes. They are: Galena, Hoonah, Hydaburg, Kake, King Cove, Klawock, St. Mary's and Tanana.

Second class cities have no school responsibility but may levy a limited property tax not to exceed five mills. The second class cities of Eagle and Whittier are the only second class cities which levy and collect a property tax.

TABLE II

LOCAL ASSESSMENT POLICY

BOROUGHS	RESIDENTIAL	GENERAL PERSONAL PROPERTY	BOATS & MOTOR VEHICLES	VESSELS	BUSINESS INVENTORY	AIRCRAFT
ANCHORAGE	FV	FV	ST COL	FV	FV	FV
BRISTOL BAY	OP EX	FV	FV	FV	FV	FV
FAIRBANKS NORTH STAR	OP EX	EX	EX	EX	EX	EX
HAINES BOROUGH	FV	FV	FV	5/15	FV	FV
JUNEAU	FV	FV	EX	EX	FV	FV
KENAI PENINSULA	OP EX	FV	FV	FV	EX	FV
KETCHIKAN GATEWAY	FV	FV	ST COL	5/15	FV	FV
KODIAK ISLAND	FV	FV	ST COL	EX	FV	FV
MATANUSKA-SUSITNA	FV	FV	ST COL	FV	FV	FV
NORTH SLOPE	OP EX	FV	FV	FV	FV	FV
SITKA	FV	FV	FV	5/15	FV	FV
CITIES						
CORDOVA	FV	EX	EX	EX	EX	EX
CRAIG	FV	EX	EX	EX	EX	EX
DILLINGHAM	FV	FV	FV	FV	FV	FV
EAGLE	FV	FV	EX	EX	EX	EX
GALENA	NA	NA	NA	NA	NA	NA
HOONAH	NA	NA	NA	NA	NA	NA
HYDABURG	NA	NA	NA	NA	NA	NA
KAKE	NA	NA	NA	NA	NA	NA
KING COVE	NA	NA	NA	NA	NA	NA
KLAWOCK	NA	NA	NA	NA	NA	NA
NENANA	FV	FV	FV	FV	FV	FV
NOME	FV	FV	FV	FV	FV	NA
PELICAN	FV	FV	EX	5/15	FV	FV
PETERSBURG	FV	FV	ST COL	EX	FV	FV
ST. MARY'S	NA	NA	NA	NA	NA	NA
SKAGWAY	FV	EX	EX	EX	EX	EX
TANANA	NA	NA	NA	NA	NA	NA
UNALASKA	FV	FV	EX	EX	FV	FV
VALDEZ	OP EX	EX	EX	EX	EX	EX
WRANGELL	FV	FV	EX	EX	FV	FV
YAKUTAT	FV	EX	EX	EX	EX	EX

TABLE III

LOCAL ASSESSMENTS VS. FULL VALUE

Table III is broken into three parts: real property (III-A), personal property (III-B), and real and personal property combined (III-C).

Notes for Interpretation of Table III

MUNICIPALITIES: Boroughs and cities organized under the laws of Alaska (except those second class cities which are located outside of boroughs and do not levy a property tax).

ASSESSED VALUES: Locally assessed property values taxable under provisions of municipal ordinance and state law. (AS 29.45)

RATIOS: The relationship in terms of percent, which actual assessed property values bear to the Department's full value determination.

FULL VALUES: The full value of real and personal property taxable under provisions of local ordinance and state law as equalized by the Department of Community and Regional Affairs in conformity with uniform standards defined in Attorney General Opinion No. 18, 1962.

TABLE III-A

BOROUGHS	REAL PROPERTY ASSESSED	RATIO	FULL VALUE
Anchorage	$16,468,860,400	97.98%	$16,809,136,900
Bristol Bay	$56,979,400	95.33%	$59,771,400
Fairbanks (City)	$1,082,115,400	89.92%	$1,203,470,700
North Pole	161,131,400	84.93%	189,715,600
Other	1,588,989,500	81.41%	1,951,942,600
Total	$2,832,236,300	84.67%	$3,345,128,900
Haines (City)	$35,652,500	90.80%	$39,264,200
Other	35,905,200	87.34%	41,110,100
Total	$71,557,700	89.03%	80,374,300
Juneau	$315,695,900	95.16%	$331,762,400
Douglas	66,694,800	94.64%	70,470,300
Other	899,490,000	95.51%	941,782,300
Total	$1,281,880,700	95.38%	$1,344,015,000
Kenai Peninsula (Homer)	$193,284,300	86.44%	$223,612,700
Kenai	275,293,500	87.72%	313,822,800
Seldovia	14,503,700	75.33%	19,254,100
Seward	86,452,400	84.10%	102,797,600
Soldotna	208,811,600	86.75%	240,692,800
Other	1,948,983,900	90.82%	2,145,977,400
Total	$2,727,329,400	89.53%	$3,046,157,400
Ketchikan (City)	$346,886,900	94.69%	$366,331,200
Other	272,371,200	94.73%	287,536,400
Total	$619,258,100	94.71%	$653,867,600
Kodiak (City)	$226,050,400	93.18%	$242,594,000
Other	148,085,900	89.35%	165,742,500
Total	$374,136,300	91.62%	$408,336,500
Mat-Su (Palmer)	$136,179,700	94.16%	$144,622,800
Houston	49,976,200	94.16%	53,074,700
Wasilla	333,586,900	94.16%	354,269,300
Other	1,888,929,100	93.97%	2,010,083,800
Total	$2,408,671,900	94.01%	$2,562,050,600
North Slope	$242,139,900	86.42%	$280,194,800
Northwest Arctic	$0	0.00%	$211,773,100
Sitka	$328,048,100	97.52%	$336,378,600

TABLE III-A - cont'd.

CITIES	REAL PROPERTY ASSESSED	RATIO	FULL VALUE
Bethel	$0	0.00%	$151,797,700
Cordova	$61,475,900	95.24%	$64,549,600
Craig	$24,826,600	95.24%	$26,067,900
Delta Junction	$0	0.00%	$26,161,100
Dillingham	$64,536,600	91.46%	$70,563,500
Eagle	$6,460,800	95.24%	6,783,800
Galena	$0	0.00%	$17,733,200
Hoonah	$0	0.00%	$13,070,400
Hydaburg	$0	0.00%	$9,085,900
Kake	$0	0.00%	$11,572,600
King Cove	$0	0.00%	$14,782,900
Klawock	$0	0.00%	$5,324,200
Nenana	$9,280,300	75.84%	$12,236,300
Nome	$105,286,900	94.96%	$110,877,700
Pelican	$6,623,500	100.00%	$6,623,500
Petersburg	$101,262,600	97.54%	$103,819,100
St. Mary's	$0	0.00%	$3,375,800
Sand Point	$0	0.00%	$18,708,300
Skagway	$47,342,900	95.60%	$49,522,900
Tanana	$0	0.00%	$11,303,700
Unalakleet	$0	0.00%	$17,419,500
Unalaska	$55,859,900	99.15%	$56,338,900
Valdez	$127,174,200	86.52%	$146,983,200
Whittier	$11,529,900	81.48%	$14,149,900
Wrangell	$75,456,100	90.91%	$83,001,700
Yakutat	$11,675,300	96.15%	$12,142,300
Total Cities	$708,791,500	66.62%	$1,063,995,600
Unorganized Borough	$0	0.00%	$0
Total Boroughs	$27,411,098,200	94.08%	$29,137,185,100
Statewide Total	$28,119,889,700	93.11%	$30,201,180,700

TABLE III-B

BOROUGHS	PERSONAL PROPERTY ASSESSED	RATIO	FULL VALUE
Anchorage	$1,440,500,000	58.55%	$2,460,369,100
Bristol Bay	$40,950,500	98.04%	$41,769,600
Fairbanks (City)	$0	0.00%	$301,596,800
North Pole	0	0.00%	43,448,200
Other	0	0.00%	424,990,100
Total	$0	0.00%	$770,035,100
Haines (City)	$2,938,300	38.06%	$7,719,700
Other	4,581,900	48.09%	9,527,600
Total	$7,520,200	43.60%	17,247,300
Juneau	$45,621,300	41.49%	$109,951,800
Douglas	1,854,400	4.26%	43,570,400
Other	108,914,600	56.89%	191,455,100
Total	$156,390,300	45.33%	$344,977,300
Kenai Peninsula (Homer)	$31,152,500	78.34%	$39,767,700
Kenai	41,498,800	79.43%	52,248,700
Seldovia	5,508,900	83.34%	6,609,800
Seward	59,765,300	80.18%	74,541,800
Soldotna	17,568,600	86.01%	20,425,500
Other	124,157,700	73.46%	169,023,400
Total	$279,651,800	77.12%	$362,616,900
Ketchikan (City)	$22,330,300	10.78%	$207,196,800
Other	11,404,800	26.33%	43,319,700
Total	$33,735,100	13.47%	$250,516,500
Kodiak (City)	$28,695,300	30.90%	$92,868,900
Other	17,509,500	34.17%	51,242,000
Total	$46,204,800	32.06%	$144,110,900
Mat-Su (Palmer)	$16,510,800	94.16%	$17,534,500
Houston	263,100	94.17%	279,400
Wasilla	26,589,200	94.16%	28,237,700
Other	100,778,900	94.16%	107,027,200
Total	$144,142,000	94.16%	$153,078,800
North Slope	$133,539,800	97.09%	$137,545,900
Northwest Arctic	$0	0.00%	$23,272,100
Sitka	$52,758,800	50.34%	$104,796,400

TABLE III-B - cont'd.

CITIES	PERSONAL PROPERTY ASSESSED	RATIO	FULL VALUE
Bethel	$0	0.00%	$39,613,900
Cordova	$0	0.00%	$59,432,700
Craig	$1,176,000	10.47%	$11,236,800
Delta Junction	$0	0.00%	$6,252,900
Dillingham	$35,192,600	95.24%	$36,952,200
Eagle	$0	0.00%	1,707,200
Galena	$0	0.00%	$2,373,700
Hoonah	$0	0.00%	$16,167,100
Hydaburg	$0	0.00%	$4,331,900
Kake	$0	0.00%	$615,800
King Cove	$0	0.00%	$9,608,500
Klawock	$0	0.00%	$516,900
Nenana	$5,098,500	86.96%	$5,863,200
Nome	$27,486,100	67.44%	$40,757,300
Pelican	$4,163,900	49.78%	$8,363,900
Petersburg	$8,645,700	27.42%	$31,536,300
St. Mary's	$0	0.00%	$1,075,400
Sand Point	$0	0.00%	$55,932,800
Skagway	$0	0.00%	$9,513,700
Tanana	$0	0.00%	$451,500
Unalakleet	$0	0.00%	$3,280,700
Unalaska	$29,549,500	75.35%	$39,216,500
Valdez	$0	0.00%	$41,169,500
Whittier	$7,383,500	94.86%	$7,783,500
Wrangell	$4,904,600	19.11%	$25,668,800
Yakutat	$0	0.00%	$4,362,400
Total Cities	$123,600,400	26.65%	$463,785,100
Unorganized Borough	$0	0.00%	$0
Total Boroughs	$2,335,393,300	48.55%	$4,810,335,900
Statewide Total	$2,458,993,700	46.62%	$5,274,121,000

TABLE III-C

BOROUGHS	REAL AND PERSONAL PROPERTY ASSESSED	RATIO	FULL VALUE
Anchorage	$17,909,360,400	92.94%	$19,269,506,000
Bristol Bay	$97,929,900	96.44%	$101,541,000
Fairbanks (City)	$1,082,115,400	71.90%	$1,505,067,500
North Pole	161,131,400	69.11%	233,163,800
Other	1,588,989,500	66.85%	2,376,932,700
Total	$2,832,236,300	68.82%	$4,115,164,000
Haines (City)	$38,590,800	82.14%	$46,983,900
Other	40,487,100	79.95%	50,637,700
Total	$79,077,900	81.00%	$97,621,600
Juneau	$361,317,200	81.80%	$441,714,200
Douglas	68,549,200	60.11%	114,040,700
Other	1,008,404,600	88.98%	1,133,237,400
Total	$1,438,271,000	85.16%	$1,688,992,300
Kenai Peninsula (Homer)	$224,436,800	85.21%	$263,380,400
Kenai	316,792,300	86.54%	366,071,500
Seldovia	20,012,600	77.38%	25,863,900
Seward	146,217,700	82.45%	177,339,400
Soldotna	226,380,200	86.70%	261,118,300
Other	2,073,141,600	89.55%	2,315,000,800
Total	$3,006,981,200	88.21%	$3,408,774,300
Ketchikan (City)	$369,217,200	64.38%	$573,528,000
Other	283,776,000	85.77%	330,856,100
Total	$652,993,200	72.20%	$904,384,100
Kodiak (City)	$254,745,700	75.94%	$335,462,900
Other	165,595,400	76.32%	216,984,500
Total	$420,341,100	76.09%	$552,447,400
Mat-Su (Palmer)	$152,690,500	94.16%	$162,157,300
Houston	50,239,300	94.16%	53,354,100
Wasilla	360,176,100	94.16%	382,507,000
Other	1,989,708,000	93.98%	2,117,111,000
Total	$2,552,813,900	94.02%	$2,715,129,400
North Slope	$375,679,700	89.93%	$417,740,700
Northwest Arctic	$0	0.00%	$235,045,200
Sitka	$380,806,900	86.32%	$441,175,000

TABLE III-C - cont'd.

CITIES	REAL AND PERSONAL PROPERTY ASSESSED	RATIO	FULL VALUE
Bethel	$0	0.00%	$191,411,600
Cordova	$61,475,900	49.58%	$123,982,300
Craig	$26,002,600	69.70%	$37,304,700
Delta Junction	$0	0.00%	$32,414,000
Dillingham	$99,729,200	92.76%	$107,515,700
Eagle	$6,460,800	76.09%	8,491,000
Galena	$0	0.00%	$20,106,900
Hoonah	$0	0.00%	$29,237,500
Hydaburg	$0	0.00%	$13,417,800
Kake	$0	0.00%	$12,188,400
King Cove	$0	0.00%	$24,391,400
Klawock	$0	0.00%	$5,841,100
Nenana	$14,378,800	79.44%	$18,099,500
Nome	$132,773,000	87.56%	$151,635,000
Pelican	$10,787,400	71.98%	$14,987,400
Petersburg	$109,908,300	81.20%	$135,355,400
St. Mary's	$0	0.00%	$4,451,200
Sand Point	$0	0.00%	$74,641,100
Skagway	$47,342,900	80.19%	$59,036,600
Tanana	$0	0.00%	$11,755,200
Unalakleet	$0	0.00%	$20,700,200
Unalaska	$85,409,400	89.38%	$95,555,400
Valdez	$127,174,200	67.59%	$188,152,700
Whittier	$18,913,400	86.23%	$21,933,400
Wrangell	$80,360,700	73.95%	$108,670,500
Yakutat	$11,675,300	70.74%	$16,504,700
Total Cities	$832,391,900	54.48%	$1,527,780,700
Unorganized Borough	$0	0.00%	$0
Total Boroughs	$29,746,491,500	87.62%	$33,947,521,000
Statewide Total	$30,578,883,400	86.20%	$35,475,301,700

TABLE IV

FULL VALUE DETERMINATION

January 1, 1986

Notes for Interpretation of Table IV

MUNICIPALITIES:	Boroughs and cities organized under the laws of Alaska (except those second class cities which are located outside of boroughs, and which do not levy a property tax).
FULL VALUE, AS 29.45:	The full value of real and personal property taxable under provisions of local ordinance and state law as equalized by the Department of Community and Regional Affairs in conformity with uniform standards defined in Attorney General Opinion No. 18, 1962.
PERCENT OF TOTAL:	The relationship in terms of percent, which the equalized full value of property taxable under provisions of Title 29 bears to the full value determination.
FULL VALUE, AS 43.56:	The assessed value of oil and gas exploration, production and pipeline transportation property as determined by the Petroleum Revenue Division, Department of Revenue.
PERCENT OF TOTAL:	The relationship in terms of percent, which the value of property assessed by under AS 43.56 bears to the full value determination.
FULL VALUE DETERMINATION:	The full value of property taxable under provisions of municipal law (AS 29.45) and oil and gas related property as assessed by the State (AS 43.56).

Note: No valuation data has been compiled or is available for property taxable under provisions of municipal law which is situated within the unorganized area of Alaska (unorganized borough) or for the 89 second class cities therein.

TABLE IV

FULL VALUE DETERMINATION
(as of January 1)

BOROUGHS	AS 29.45 LOCAL TAXABLE FULL VALUE	AS 43.56 STATE TAXABLE FULL VALUE (OIL & GAS)	AS 14.17 FULL VALUE DETERMINATION
Anchorage	$19,269,506,000	$73,850,800	$19,343,356,800
Bristol Bay	$101,541,000	$0	$101,541,000
Fairbanks (City)	$1,505,067,500	$0	
North Pole	233,163,800	0	
Other	2,376,932,700	0	
Total	$4,115,164,000	$611,749,900	$4,726,913,900
Haines (City)	$46,983,900	$0	
Other	50,637,700	0	
Total	$97,621,600	$0	$97,621,600
Juneau	$441,714,200	$0	
Douglas	114,040,700	0	
Other	1,133,237,400	0	
Total	$1,688,992,300	$0	$1,688,992,300
Kenai (Homer)	$263,380,400	$0	
Kenai	366,071,500	0	
Seldovia	25,863,900	0	
Seward	177,339,400	0	
Soldotna	261,118,300	0	
Other	2,315,000,800	0	
Total	$3,408,774,300	$496,567,400	$3,905,341,700
Ketchikan (City)	$573,528,000	$0	
Other	330,856,100	0	
Total	$904,384,100	$0	$904,384,100
Kodiak (City)	$335,462,900	$0	
Other	216,984,500	0	
Total	$552,447,400	0	$552,447,400
Mat-Su (Palmer)	$162,157,300	$0	
Houston	53,354,100	0	
Wasilla	382,507,000	0	
Other	2,117,111,000	0	
Total	$2,715,129,400	$1,626,500	$2,716,755,900
North Slope	$417,740,700	$13,153,045,600	$13,570,786,300
Northwest Arctic	$235,045,200	$0	$235,045,200
Sitka	$441,175,000	$0	$441,175,000
TOTAL BOROUGHS	$33,947,521,000	$14,336,840,200	$48,284,361,200

TABLE IV - cont'd.

CITIES	AS 29.45 LOCAL TAXABLE FULL VALUE	AS 43.56 STATE TAXABLE FULL VALUE (OIL & GAS)	AS 14.17 FULL VALUE DETERMINATION
Bethel	$ 191,411,600	$ 0	$ 191,411,600
Cordova	123,982,300	0	123,982,300
Craig	37,304,700	0	37,304,700
Delta Junction	32,414,000	0	32,414,000
Dillingham	107,515,700	0	107,515,700
Eagle	8,491,000	0	8,491,000
Galena	20,106,900	0	20,106,900
Hoonah	29,237,500	0	29,237,500
Hydaburg	13,417,800	0	13,417,800
Kake	12,188,400	0	12,188,400
King Cove	24,391,400	0	24,391,400
Klawock	5,841,100	0	5,841,100
Nenana	18,099,500	0	18,099,500
Nome	151,635,000	0	151,635,000
Pelican	14,987,400	0	14,987,400
Petersburg	135,355,400	0	135,355,400
St. Mary's	4,451,200	0	4,451,200
Sand Point	74,641,100	0	74,641,100
Skagway	59,036,600	0	59,036,600
Tanana	11,755,200	0	11,755,200
Unalaska	95,555,400	9,100	95,564,500
Unalakleet	20,700,200	0	20,700,200
Valdez	188,152,700	1,505,174,000	1,693,326,700
Whittier	21,933,400	0	21,933,400
Wrangell	108,670,500	0	108,670,500
Yakutat	16,504,700	1,632,000	18,136,700
TOTAL CITIES	$ 1,527,780,700	$ 1,506,815,100	$ 3,034,595,800
STATE	$35,475,301,700	$19,551,019,700	$55,026,321,400
TOTAL BOROUGHS	$33,947,521,000	$14,336,840,200	$48,284,361,200
STATEWIDE TOTAL	$35,475,301,700	$19,551,019,700	$55,026,321,400

TABLE V

FULL VALUE DETERMINATIONS

ALASKA LOCAL GOVERNMENT

Comparison of Full Value Determinations

Table V-A is a three-year comparison of the Department's equalized full value figures including locally assessed and state assessed property values within all boroughs and cities organized under the laws of Alaska, except those second class cities that are located outside of boroughs and do not levy a property tax.

Full Value Determinations Summary

Table V-B summarizes the Department's equalized full value figures for the past twelve years. The table illustrates annual percentage increases for both locally and state assessed properties.

Notes for Interpretation of Table V

LOCALLY ASSESSED: The equalized full value of real property taxable under provisions of Alaska Statutes 29.45 as determined by the Department of Community and Regional Affairs in conformity with uniform standards, defined in Attorney General Opinion No. 18, 1962.

STATE ASSESSED: The value of oil and gas, exploration, production and pipeline transportation property as determined and certified by the Department of Revenue in conformity with standards defined in Alaska Statutes 43.56.

FULL VALUE: The equalized full value of real property taxable under provisions of Alaska Statutes 29.45 as determined by the Department of Community and Regional Affairs in conformity with uniform standards, defined in Attorney General Opinion No. 18, 1962.

TABLE V-A

COMPARISON OF FULL VALUE DETERMINATION

BOROUGHS	1984	% of change '84 to '85	1985	% of change '85 to '86	1986
ANCHORAGE	13,113,559,200		15,675,303,800		19,269,506,000
State Assessed	85,796,600	-7.10%	80,107,200	-8.47%	73,850,800
TOTAL	13,199,355,800	19.36%	15,755,411,000	22.77%	19,343,356,800
BRISTOL BAY	112,215,200	-10.23%	101,798,000	-.25%	101,541,000
FAIRBANKS NORTH STAR	3,000,295,100		3,580,441,300		4,115,164,000
State Assessed	627,613,530	.45%	630,556,400	-3.07%	611,749,900
TOTAL	3,627,908,630	16.07%	4,210,997,700	12.25%	4,726,913,900
HAINES	88,882,900	5.69%	93,945,500	3.91%	97,621,600
JUNEAU	1,493,919,200	7.99%	1,613,388,900	4.69%	1,688,992,300
KENAI PENINSULA	2,523,183,800		2,734,717,900		3,408,774,300
State Assessed	579,456,200	-6.22%	545,500,900	-9.85%	496,567,400
TOTAL	3,102,640,000	6.04%	3,290,219,200	18.70%	3,905,341,700
KETCHIKAN GATEWAY	711,341,600	5.23%	675,985,100	33.79%	904,384,100
KODIAK ISLAND	651,444,700	-13.81%	572,370,700	-3.61%	552,447,400
MATANUSKA-SUSITNA	1,771,758,500		2,365,779,700		2,715,129,400
State Assessed	1,626,460		1,626,500	----	1,626,500
TOTAL	1,773,384,960	33.49%	2,367,406,200	14.76%	2,716,755,900
NORTH SLOPE	621,986,800		511,643,200		417,740,700
State Assessed	11,732,896,800	5.38%	12,365,143,700	6.37%	13,153,045,600
TOTAL	12,354,883,600	4.22%	12,876,786,900	5.39%	13,570,786,300
NORTHWEST ARCTIC				----	235,045,200
SITKA	756,351,400	----	396,227,900	11.34%	441,175,000
TOTAL BOROUGHS	37,872,327,990	10.77%	41,954,537,900	15.09%	48,284,361,200

TABLE V-A - cont'd.

CITIES	1984	% of change '84 to '85	1985	% of change '85 to '86	1986
BETHEL	170,370,900	7.00%	182,296,900	5.00%	191,411,600
CORDOVA	121,884,950	-1.00%	120,673,000	2.74%	123,982,300
CRAIG	28,381,400	22.28%	34,707,400	7.48%	37,304,700
DELTA JUNCTION		----	30,870,500	5.00%	32,414,000
DILLINGHAM	112,645,500	-18.98%	94,669,900	13.57%	107,515,700
EAGLE	7,848,700	16.00%	9,104,500	-7.23%	8,491,000
GALENA	17,097,800	11.99%	19,149,500	5.00%	20,106,900
HOONAH	26,023,600	6.99%	27,845,200	5.00%	29,237,500
HYDABURG	11,858,800	6.98%	12,688,900	5.74%	13,417,800
KAKE	10,848,600	6.99%	11,608,000	5.00%	12,188,400
KING COVE	21,711,000	7.00%	23,230,800	5.00%	24,391,400
KLAWOCK	5,199,100	6.99%	5,563,000	5.00%	5,841,100
NENANA	11,233,940	14.66%	12,881,500	40.51%	18,099,500
NOME	207,050,000	----	116,712,900	29.92%	151,635,000
PELICAN	9,143,800	11.06%	10,155,400	47.58%	14,987,400
PETERSBURG	161,668,700	-.27%	161,219,300	-19.11%	135,355,400
ST. MARY'S	3,925,300	8.00%	4,239,400	5.00%	4,451,200
SAND POINT	66,436,300	6.99%	71,086,800	5.00%	74,641,100
SKAGWAY	63,333,600	-8.36%	58,447,100	1.01%	59,036,600
TANANA	6,617,500	69.17%	11,195,400	5.00%	11,755,200
UNALAKLEET		----	19,714,500	4.99%	20,700,200
UNALASKA	95,670,900	6.99%	102,367,800		95,555,400
State Assessed		----	2,941,600		9,100
TOTAL		----	105,309,400	-10.20%	95,564,500
VALDEZ	174,806,900	-1.34%	172,493,900		188,152,700
State Assessed	1,545,318,230	1.46%	1,567,938,000	-4.17%	1,505,174,000
TOTAL	1,720,125,130	1.18%	1,740,431,900	-2.78%	1,693,326,700
WHITTIER	18,510,280	4.91%	19,419,200	12.95%	21,933,400
WRANGELL	106,435,200	5.00%	111,757,000	-2.84%	108,670,500
YAKUTAT	15,846,420	.71%	15,960,400		16,504,700
State Assessed	2,103,420	-22.36%	1,719,000	-5.33%	1,632,000
TOTAL	17,949,840	-1.52%	17,679,400	2.59%	18,136,700
TOTAL CITIES	3,107,012,320	.60%	3,125,901,900	-3.01%	3,034,595,800
UNORGANIZED BOROUGH	4,030,427,300	-5.10%	3,834,798,100	-3.44%	3,707,364,400
TOTAL BOROUGHS	37,872,327,990	10.77%	41,954,537,900	15.09%	48,284,361,200
STATEWIDE TOTAL	45,009,767,610	8.67%	48,915,237,900	12.49%	55,026,321,400

TABLE V-8

FULL VALUE DETERMINATION SUMMARY

1974 - 1986

JANUARY 1 YEAR	LOCAL ASSESSED	PERCENT INCREASE	STATE ASSESSED	PERCENT INCREASE	FULL VALUE	PERCENT INCREASE
1974	3,781,749,440	8.58%	705,423,640		4,853,272,027	18.45%
1975	4,901,213,968	29.06%	1,300,582,560	84.38%	6,673,631,342	37.50%
1976	6,207,670,300	26.66%	4,634,552,550	256.38%	11,679,514,615	75.07%
1977	8,026,248,358	29.30%	8,497,529,200	83.36%	17,702,463,274	88.42%
1978	9,311,627,309	16.01%	11,090,725,730	30.51%	21,344,147,789	24.01%
1979	10,989,005,940	18.01%	11,956,586,590	7.81%	25,063,954,830	17.39%
1980	12,332,919,158	12.22%	12,167,569,820	1.76%	26,927,537,754	7.44%
1981	13,625,907,491	10.48%	13,170,633,290	8.24%	29,780,288,702	12.59%
1982	16,220,702,495	19.04%	14,412,781,170	9.42%	35,226,538,874	18.29%
1983	19,646,851,092	21.12%	16,060,037,180	11.42%	39,890,294,892	12.97%
1984	22,485,866,595	14.45%	18,605,236,540	15.85%	45,009,737,670	15.34%
1985	26,483,050,900	17.77%	19,030,331,400	2.28%	48,919,237,500	8.67%
1986	30,578,883,400	15.47%	19,551,019,700	2.74%	55,038,321,400	12.49%

TABLE VI

REAL PROPERTY STAFF STATISTICS - 1986

The table below is for informational purposes only. Total number of parcels are real property parcels as indicated by the municipalities' 1986 certified assessment rolls. The number of appraisers is for real property appraisers and the assessor. The assessment budget and cost per parcel are based on the total budget for the assessing department which includes personal property appraisers (where applicable), assessing clerks, drafting personnel, and employee benefits. Therefore, in most cases, the cost per parcel reflects more than the cost of assessing real property.

As the Bristol Bay Borough and all the first class cities outside of organized boroughs are appraised by contract assessors, they were not included in this table.

MUNICIPALITY	NUMBER R.P. APPRAISERS INCLUDING ASSESSOR	TOTAL NUMBER REAL PARCELS	ESTIMATED SQ. MI. WITHIN JURISDICTION	ASSESSMENT BUDGET 1986	AVERAGE NUMBER OF PARCELS PER APPRAISER	COST PER PARCEL	NUMBER SQUARE MILES PER APPRAISER	ASSESSMENT CYCLE
ANCHORAGE	28	82,901	1,864	$2,509,300	2,960.8	$30.27	67.3	6-Year Cycle
FAIRBANKS NORTH STAR	11	36,425	7,500	$942,159	3,311.4	$25.87	681.8	Annual
HAINES	1	2,193	2,620	$65,500	2,193.0	$29.87	2,620.0	Annual
JUNEAU	6	10,642	3,100	$458,900	1,173.7	$43.12	516.7	Annual
KENAI PENINSULA	9	51,189	14,697	$1,088,572	5,687.7	$21.27	1,633.0	2-Year Cycle
KETCHIKAN GATEWAY	4	6,327	1,250	$264,979	1,581.8	$41.88	312.5	Annual
KODIAK ISLAND	2	4,190	5,440	$195,100	2,095.0	$46.56	2,720.0	3-Year Cycle
MATANUSKA-SUSITNA	15	59,187	20,544	$1,277,879	3,945.8	$21.59	1,369.6	Annual
SITKA	1	2,851	7,927	$123,210	2,851.0	$43.22	7,927.0	Annual

TABLE VII

1986 CONTRACT REVALUATION COSTS

MUNICIPALITY	CONTRACTOR	CONTRACT AMOUNT	PARCEL VACANT	COUNT IMPR	TOTAL	PER PARCEL AMOUNT	SCOPE OF WORK
Bristol Bay Borough	Property Analysis Company	$13,575	278	294	572	$23.73	Complete (Real)
Cordova	Real Estate Services Corp.	$21,065	216	649	865	$24.35	Complete (Real)
Craig	Wright Appraisal Company	$7,500	130	188	310	$24.19	Complete (Real)
Dillingham	Appraisal Company of Alaska	$12,000	319	410	729	$16.46	Update (Real)
Nome	Appraisal Company of Alaska	$50,000	405	851	1,256	$39.81	Complete (Real)
Pelican	Pomptier, Duverney & Horan	$4,250	30	59	89	$47.75	Complete (Real)
Petersburg	Appraisal Associates of Alaska	$32,300	567	1,157	1,724	$18.74	Two-Year Cycle
Skagway	Pomptier, Duverney & Horan	$10,000	162	459	621	$16.10	Update (Real)
Unalaska	Real Estate Services Corp.	$20,500	121	252	373	$54.96	Two-Year Cycle
Valdez	Appraisal Company of Alaska	$32,000	507	1,062	1,569	$20.40	Three-Year Cycle
Wrangell	Pomptier, Duverney & Horan	$18,500	N/A	N/A	N/A	N/A	Two-Year Cycle
Whittier	Real Estate Services Corp.	$12,700	91	271	362	$35.08	Two-Year Cycle

Chapter 4

REVENUE STATISTICS

- MUNICIPAL TAXATION:
  Property and Sales Tax Rates
- MUNICIPAL REVENUE PROJECTIONS

TABLE VIII

PROPERTY TAX RATES

Property tax rates are reported in terms of a mill. Rates of tax levied are listed in Table VIII for all municipalities organized under the laws of Alaska. They are broken into tax code areas (city and service areas) within boroughs and cities.

TABLE IX

SALES TAX RATES

Table IX-A lists the sales tax rates for all municipalities organized under the laws of Alaska.

Table IX-B lists the sales tax rates and revenues for all second class cities in the unorganized borough of Alaska.

TABLE VIII

MUNICIPAL PROPERTY MILL RATES 1986

BOROUGHS AND SERVICE AREA (CLASS)	PROPERTY TAX 1984	1985	1986
MUNICIPALITY OF ANCHORAGE (Unified Home Rule)			
Anchorage (SA)	9.91	9.40	10.18
Hillside (SA)	6.55	6.33	6.61
Spenard (SA)	10.10	9.59	10.04
Girdwood (SA)	6.99	6.28	6.79
Glen Alps (SA)	5.41	5.38	5.44
Huffman Hills (SA)	7.88	7.42	7.84
Stuckagain Heights & LRS (SA)	6.58	6.38	6.62
Eagle River LRS (SA)	8.45	8.55	8.85
Chugiak (SA)	7.00	7.53	7.78
Canyon Road (SA)	7.07	6.85	7.00
Oceanview (SA)	8.07	7.61	8.00
Other Area (SA)	4.89	4.86	5.05
Upper O'Malley Road (SA)	7.35	7.13	8.11
Talus West Limited	7.35	6.73	6.99
Rbt. Cr. V. Lim. Rd. Svc. (SA)	7.55	7.33	7.60
Rbt. Cr. V. Ltd. Rd. Svc. (SA)	5.89	5.86	6.05
Birchtree/Elmore LRS (SA)	7.55	7.33	7.61
Eagle River Valley LRS (SA)	6.99	7.53	7.78
S. Goldenview LRS (SA)	7.30	7.08	5.05
Campbell Airstrip LRS (SA)	7.05	6.83	7.11
Skyranch Estates (SA)	7.55	7.33	7.56
Valli Vue Est. LRS (SA)	7.55	7.33	7.61
Mt. Park Est. LRS (SA)	7.55	7.33	7.61
Mt. Park/Robin Hills LRS (SA)	7.55	7.33	7.61
Raven Woods/Bubbling Brook LRS (SA)	7.05	7.33	7.58
Upper Grove LRS (SA)	7.55	7.33	7.61
View Point (SA)	6.22	5.95	6.28

TABLE VIII - cont'd.

BOROUGHS AND SERVICE AREA (CLASS)	PROPERTY TAX 1984	1985	1986
BRISTOL BAY BOROUGH (Second Class)	5.00	5.00	5.00
FAIRBANKS NORTH STAR BOROUGH (Second Class)			
Fairbanks (Home Rule)	8.80	2.80	11.25
North Pole (Home Rule)	9.00	2.00	10.45
Air Park (SA)	7.00	8.40	10.73
Airway (SA)	7.00	9.70	10.53
Arctic Fox (SA)	7.00	8.40	10.23
Aztec (SA)	8.00	9.40	11.56
Ballaine Lake	13.00	14.40	16.73
Beacon Hill (SA)	7.00	9.50	0.00
Becker Ridge (SA)	7.00	9.50	11.23
Birch Hill (SA)	7.50	9.20	9.23
Brookside (SA)	7.00	8.40	10.23
Chena Marina (SA)	0.00	8.40	11.23
Chena Hot Springs	0.00	8.40	9.23
Chena Goldstream	0.00	10.40	11.23
Chena Spur (SA)	7.00	8.80	11.23
Cleary Summit (SA)	7.00	8.40	9.23
Cordes Drive (SA)	0.00	12.20	11.23
Cooper Estates (SA)	0.00	9.40	11.23
College (SA)	8.00	9.40	12.23
College Hills (SA)	7.00	8.40	10.73
Cripple Creek (SA)	7.00	8.40	10.23
Deep Forest (SA)	7.00	8.40	10.23
Diane (SA)	7.50	8.50	11.23
Eldorado Acres (SA)	7.50	8.40	9.23
Ester Lump (SA)	7.00	9.10	10.73
Ester Fire (SA)	8.00	9.40	10.23
Fairfields (SA)	7.00	8.80	10.23

TABLE VIII - cont'd.

BOROUGHS AND SERVICE AREA (CLASS)	PROPERTY TAX 1984	1985	1986
FAIRBANKS NORTH STAR BOROUGH - cont'd.			
Fairhill (SA)	7.00	9.10	9.23
Garden (SA)	7.00	8.40	10.23
Goldstream Alaska (SA)	7.00	8.40	11.23
Gorden (SA)	0.00	9.40	10.23
Granola Estates (SA)	7.00	9.40	11.23
Hayes Creek (SA)	7.00	8.40	9.23
Haystack (SA)	7.00	10.40	11.23
Herning Hills (SA)	7.00	8.40	9.23
Highway Park (SA)	7.00	9.70	10.23
Hopeless Road (SA)	7.00	8.40	10.23
Horseshoe Downs (SA)	7.00	8.40	9.23
Jennifer Drive (SA)	10.00	11.40	14.23
Jones Road (SA)	7.00	8.40	11.23
Kaufman (SA)	7.00	8.40	9.23
Kendall (SA)	0.00	8.40	10.23
Keeney Road (SA)	8.00	9.40	10.73
Keystone (SA)	7.00	10.40	11.23
Kris Kringle (SA)	8.00	8.40	10.23
Lakloey Hill (SA)	8.00	9.40	11.23
Lee Lane (SA)	7.00	8.40	10.23
McCloud (SA)	0.00	8.40	15.23
McGrath Estate (SA)	8.00	10.00	11.46
McKinley View (SA)	8.50	9.90	12.23
Miller Hill Extension (SA)	7.00	11.00	13.83
Moose Creek (SA)	7.00	9.40	10.23
Moose Meadows (SA)	7.00	8.40	10.23
Mountain View (SA)	7.50	8.90	10.83
Murphy (SA)	7.00	8.40	9.23
Musk Ox (SA)	7.50	8.90	11.73

TABLE VIII - cont'd.

BOROUGHS AND SERVICE AREA (CLASS)	PROPERTY TAX 1984	1985	1986
FAIRBANKS NORTH STAR BOROUGH - cont'd.			
Newby Park (SA)	7.00	8.40	10.23
North Star Fire (SA)	8.00	9.40	10.23
Old Richardson (SA)	7.00	8.40	9.23
Olens West (SA)	7.00	8.40	9.23
Parkridge (SA)	7.00	8.40	10.23
Peede Country Estate (SA)	7.00	8.40	10.23
Pine Stream (SA)	7.00	8.80	10.23
Pleasure Land (SA)	7.00	8.40	10.23
Polar Heights (SA)	7.00	8.90	11.23
Prospecter Park (SA)	7.00	8.40	10.73
Ridgecrest (SA)	7.00	10.10	11.23
Salchaket Heights (SA)	0.00	8.40	9.23
Scenic Heights (SA)	8.00	9.50	10.73
Seavy (SA)	0.00	8.40	10.23
Serendipity Hill (SA)	0.00	8.40	10.23
Sexburg (SA)	8.00	8.90	11.73
Smith Ranch (SA)	7.00	8.40	10.73
Spinach Creek (SA)	7.00	8.40	11.23
Spring Glade (SA)	7.00	8.40	10.73
Spruce Acres (SA)	9.00	10.40	11.23
Steamboat Landing (SA)	0.00	8.40	10.23
Straight Creek (SA)	0.00	8.40	9.23
Steese Volunteer Fire (SA)	9.00	10.40	10.73
Summerwood (SA)	0.00	10.40	11.73
Summit Drive (SA)	7.00	8.40	11.73
Sunrise (SA)	0.00	9.00	12.73
Sunny Hills Terrace (SA)	7.00	8.40	10.73
Tan Tera (SA)	7.00	12.40	14.73
Tungsten (SA)	7.00	9.60	11.73
Twenty Three Mile Slough	7.00	8.40	9.23

TABLE VIII - cont'd.

BOROUGHS AND SERVICE AREA (CLASS)	PROPERTY TAX 1984	1985	1986
FAIRBANKS NORTH STAR BOROUGH - cont'd			
University Fire (SA)	9.00	10.40	10.73
University Heights (SA)	7.50	8.40	12.23
University West Street Lights (SA)	7.40	8.80	12.13
Viewpointe (SA)	7.50	9.90	12.23
Violet Drive (SA)	0.00	9.40	11.73
Vue Crest (SA)	7.00	8.40	10.73
Wildview Acres (SA)	9.00	10.40	11.23
HAINES BOROUGH (Third Class)	0.00	2.00	3.00
Haines (1st Class)	10.00	11.50	12.50
Fire District I (SA)	4.00	4.40	5.30
Fire District II (SA)	4.00	4.40	5.00
Fire District III (SA)	4.00	3.40	5.60
CITY AND BOROUGH OF JUNEAU (Unified Home Rule)			
Juneau (SA)	8.92	9.16	9.12
Douglas (SA)	10.68	10.68	9.37
Other Area	8.54	8.54	8.96
Auke Bay (SA)	9.67	9.63	9.82
Glacier Valley (SA)	9.32	9.22	9.71
North Douglas (SA)	8.80	9.49	9.96
Salmon Creek (SA)	9.25	9.38	9.84
Lynn Canal (SA)	9.33	10.10	9.82

TABLE VIII - cont'd.

BOROUGHS AND SERVICE AREA (CLASS)	**REAL 1985	**PERSONAL 1985	SAME 1986
KENAI PENINSULA BOROUGH (Second Class)			
Seldovia (SA)	7.50	9.75	11.00
Homer (1st Class)	9.09	8.34	12.32
Kenai (Home Rule)	5.05	4.30	7.62
Seward (Home Rule)	7.50	6.75	7.00
Seward Special (SA)	7.50	6.75	7.00
South Hospital	4.09	5.80	7.32
North Peninsula Recreation	4.31	3.56	5.92
Bear Creek Fire (SA)	3.00	2.25	6.77
Ridgeway (SA)	5.69	4.94	7.46
North Peninsula Road (SA)	3.15	2.40	4.92
North Peninsula Road (South)	4.09	3.34	7.32
Central Peninsula Road (SA)	3.89	3.14	5.60
Central Peninsula Road (South)	4.83	4.08	8.00
South Peninsula Road (SA)	4.09	3.34	7.32
East Peninsula Road (SA)	2.50	1.75	4.00
Soldotna (1st Class)	7.39	6.64	9.10
Kachemak (2nd Class)	6.09	5.34	9.32

** The differential rates levied by KPB in 1985 were found by Superior Court to be in noncompliance with Alaska Statutes 29.53 and 43.56. The practice of levying differential rates has now been rescinded by the Borough.

TABLE VIII - cont'd.

BOROUGHS AND SERVICE AREA (CLASS)	PROPERTY TAX 1984	1985	1986
KETCHIKAN GATEWAY BOROUGH (Second Class)	0.00	2.55	3.58
Ketchikan (Home Rule)	12.00	11.45	12.50
Shoreline (SA)	4.10	4.55	4.08
Saxman (2nd Class)	0.00	0.00	3.00
Southeast Fire District	4.10	3.55	4.58
South Tongass	4.10	2.55	3.58
Mud Bight (SA)	0.00	0.00	18.58
KODIAK ISLAND BOROUGH (Second Class)	0.00	3.75	3.75
Kodiak (Home Rule)	5.00	5.75	5.75
Monashka Fire & Road	0.00	0.00	7.25
Miller Point	0.00	0.00	5.50
Monashka	0.00	0.00	5.25
Bells Flats	0.00	0.00	4.75
MATANUSKA-SUSITNA BOROUGH (Second Class)	0.00	0.00	5.80
Wasilla Fire	8.50	6.50	6.50
Butte Fire (SA)	8.20	6.40	6.60
Greater Palmer (SA)	8.50	6.50	6.50
Sutton Fire (SA)	9.80	7.80	7.80
Palmer (Home Rule)	11.30	9.30	9.30
Other Area	7.80	5.80	5.80
Talkeetna Flood Control (SA)	8.88	6.80	6.80
Garden Terrace Estates (SA)	9.80	9.00	9.00
Houston (2nd Class)	7.30	5.30	5.30
Wasilla (2nd Class)	8.40	6.40	6.73
Trapper Creek Road (SA)	7.80	5.80	5.80
Lakes Fire Service (SA)	9.30	7.10	7.10
Talkeetna Fire Service (SA)	8.80	6.80	6.80

TABLE VIII - cont'd.

BOROUGHS AND SERVICE AREA (CLASS)	PROPERTY TAX 1984	1985	1986
MATANUSKA-SUSITNA BOROUGH - cont'd.			
Fishhook (SA)	9.00	7.00	7.00
Big Lake (SA)	8.80	6.80	6.80
Meadow Lake (SA)	8.80	6.40	6.60
Willow Lakes FSA	0.00	0.00	6.80
Talkeetna Water/Sewer	0.00	0.00	6.80
NORTH SLOPE BOROUGH (Home Rule)	18.37	18.37	18.37
SITKA, CITY AND BOROUGH OF (Unified Home Rule)	3.00	3.00	4.00

BOROUGH (Class)	PROPERTY TAX 1984	1985	1986	
NORTH SLOPE BOROUGH	18.37	18.37	18.37	* Actual Overall Rate
(Home Rule)	23.46	10.00	12.62	Effective Operating Rate

* EXPLANATION OF MILLAGE RATES:

AS 29.45.090(a) restricts the millage rate for the municipal operating budget to a maximum of 30 mills. (There is no limit on taxes to pay bonds.)

The 30 mill limit on operating revenues is levied against an assessed value not to exceed that produced by the following formula:

Average Per Capita Full Value X 225% X municipal population, or, for FY 87:

86,322 X 2.25 X 12,342 = $2,397,118,779[1] (Assessed Value Limit for operating budget)

$2,397,118,779 X 30 mills = $71,913,563 (FY 87 statutory limit for operating budget)

FY 87 Projected operating budget: $30,241,000

$$\frac{\$\ 30,241,000}{\$2,397,118,779} = 12.62 \text{ mills (effective operating rate)}$$

DEVELOPMENT OF ACTUAL OVERALL RATE (Taken from Ordinance 5-86):

FY 87 Projected budget for debt service (payment of bonds): $212,914,800

Actual assessed value: $13,560,971,700

$$\frac{\$\ 218,874,100}{\$13,560,971,700} = 16.14 \text{ mills (levy to satisfy debt service)}$$

$$\frac{\$\ 30,241,000}{\$13,560,971,700} = 2.23 \text{ mills (levy to satisfy operating budget)}$$

16.14 + 2.23 = 18.37 mills (actual overall rate)

1/Note: For FY 88, this calculation will be:

$96,195 X 2.25 X 11,956 = $2,587,741,695

TABLE VIII - cont'd.

CITIES (CLASS)	PROPERTY TAX 1985	PROPERTY TAX 1986
CORDOVA (Home Rule)	3.00	3.00
CRAIG (First Class)	6.00	6.00
DILLINGHAM (First Class)	3.00	3.00
NENANA (First Class)	11.00	9.00
NOME (First Class)	9.00	7.50
PELICAN (First Class)	5.00	5.00
PETERSBURG (Home Rule)		
Area 1	6.00	7.00
Area 2	6.00	5.40
Area 3	6.00	5.40
SEWARD (First Class)		
Area 1	5.00	5.00
Area 2	3.95	3.97
Area 3	2.50	2.50
Area 4	6.95	6.95
UNALASKA (First Class)	12.57	12.57
VALDEZ (Home Rule)		
Area 1	11.57	11.57
Area 2	9.00	13.57
Area 3	8.00	17.44
WRANGELL (Home Rule)		
Area 1	6.00	5.25
Area 2	9.25	9.00
Area 3	9.00	9.37
Area 4	9.00	12.50
YAKUTAT (First Class)	12.50	12.50

CITY (Class)	1984	1985	1986	
		PROPERTY TAX		
VALDEZ	11.5807	11.5689	12.4787	* Actual Overall Rate
(Home Rule)		14.8058	14.6597	Effective Operating Rate

* EXPLANATION OF MILLAGE RATES:

AS 29.45.090(a) restricts the millage rate for the municipal operating budget to a maximum of 30 mills. (There is no limit on taxes to pay bonds.)

The 30 mill limit on operating revenues is levied against an assessed value not to exceed that produced by the following formula:

Average Per Capital Full Value X 225% X municipal population, or, for CY 86:

$86,322 X 2.25 X 3,687 = $716,105,732 [1] (Assessed Value Limit for operating budget))

$716,105,732 X 30 mills = $21,483,172 (CY 86 statutory limit for operating budget)

CY 86 Projected operating budget: $10,487,881 (property tax portion)

$\frac{\$\ 10,497,881}{\$716,105,732} = 14.6597$ (effective operating rate)

DEVELOPMENT OF ACTUAL OVERALL RATE:

CY 86 Projected budget for debt service (payment of bonds): $9,871,664

Actual assessed value: $1,632,346,200

$\frac{\$\ \ 9,871,664}{\$1,632,346,200} = 6.0475$ mills (levy to satisfy debt service)

$\frac{\$\ \ 10,497,881}{\$1,632,346,200} = 6.4312$ mills (levy to satisfy operating budget)

6.0475 + 6.4312 = 12.4787 mills (actual overall rate)

1/Note: For CY 87, this calculation will be:

$96,195 X 2.25 X 3,687 = $789,009,671

TABLE IX-A

MUNICIPAL SALES TAX RATES 1986

BOROUGHS AND SERVICE AREA (CLASS)	SALES TAX 1984	1985	1986
MUNICIPALITY OF ANCHORAGE (Unified Home Rule)			
Anchorage (SA)	0.00	0.00	0.00
BRISTOL BAY BOROUGH (Second Class)	3.00	3.00	3.00
FAIRBANKS NORTH STAR BOROUGH (Second Class)			
North Pole (Home Rule)	0.00	0.00	3.00
HAINES BOROUGH (Third Class)	0.00	1.00	1.00
Haines (1st Class)	3.00	3.00	5.00
Fire District I (SA)	1.00	1.00	1.00
Fire District II (SA)	1.00	1.00	1.00
Fire District III (SA)	1.00	1.00	1.00
CITY AND BOROUGH OF JUNEAU (Unified Home Rule)			
Juneau (SA)	4.00	4.00	4.00
Douglas (SA)	4.00	4.00	4.00
Other Area	4.00	4.00	4.00
Auke Bay (SA)	4.00	4.00	4.00
Glacier Valley (SA)	4.00	4.00	4.00
North Douglas (SA)	4.00	4.00	4.00
Salmon Creek (SA)	4.00	4.00	4.00
Lynn Canal (SA)	4.00	4.00	4.00
KENAI PENINSULA BOROUGH (Second Class)			
Seldovia (SA)	4.00	4.00	4.00
Homer (1st Class)	4.00	5.00	4.00
Kenai (Home Rule)	5.00	5.00	5.00

TABLE IX-A - cont'd.

BOROUGHS AND SERVICE AREA (CLASS)	SALES TAX 1984	1985	1986
KENAI PENINSULA BOROUGH - cont'd.			
Seward (Home Rule)	3.00	3.00	3.00
Seward Special (SA)	3.00	3.00	3.00
South Hospital	2.00	2.00	2.00
North Peninsula Recreation	2.00	2.00	2.00
Bear Creek Fire (SA)	2.00	2.00	2.00
Ridgeway (SA)	2.00	2.00	2.00
North Peninsula Road (SA)	2.00	2.00	2.00
North Peninsula Road (South)	2.00	2.00	2.00
Central Peninsula Road (SA)	2.00	2.00	2.00
Central Peninsula Road (South)	2.00	2.00	2.00
South Peninsula Road (SA)	2.00	2.00	2.00
East Peninsula Road (SA)	5.00	2.00	2.00
Soldotna (1st Class)	2.00	5.00	5.00
Kachemak (2nd Class)	2.00	2.00	2.00
KETCHIKAN GATEWAY BOROUGH (Second Class)	0.00	1.50	1.50
Ketchikan (Home Rule)	4.00	4.00	4.00
Shoreline (SA)	1.50	1.50	1.50
Other Area	1.50	1.50	1.50
Southeast Fire District	1.50	1.50	1.50
South Tongass	1.50	1.50	1.50
KODIAK ISLAND BOROUGH (Second Class)	0.00	0.00	0.00
Kodiak (Home Rule)	3.00	5.00	5.00
MATANUSKA-SUSITNA BOROUGH (Second Class)			
Palmer (Home Rule)	0.00	2.00	5.00
NORTH SLOPE BOROUGH (Home Rule)	0.00	0.00	3.00
CITY AND BOROUGH OF SITKA (Unified Home Rule)			
Unified District	4.00	4.00	4.00

TABLE IX-A - cont'd.

CITIES (CLASS)	SALES TAX 1985	1986
CORDOVA (Home Rule)	4.00	4.00
CRAIG (First Class)	4.00	3.00
DILLINGHAM (First Class)	3.00	3.00
NENANA (First Class)	3.00	3.00
NOME (First Class)	3.00	3.00
PELICAN (First Class)	3.00	3.00
PETERSBURG (Home Rule)	5.00	5.00
SKAGWAY (First Class)	3.00	3.00
UNALASKA (First Class)	2.00	2.00
VALDEZ (Home Rule)	0.00	0.00
WHITTIER (Second Class)	3.00	3.00
WRANGELL (Home Rule)	5.00	6.00
YAKUTAT (First Class)	3.00	3.00

TABLE IX-B

1986 MUNICIPAL SALES TAX RATES AND REVENUES FOR SECOND CLASS CITIES

	Sales Tax	Revenues	Population	Per Cap Revenues @ 1%
Akhiok	0.0	$0	103	$0
Akiachak	DNR *	DNR	448	DNR
Akiak	0.0	$0	247	$0
Akutan	0.0	$0	189	$0
Alakanuk	0.0	$0	555	$0
Aleknagik	0.0	$0	232	$0
Allakaket	0.0	$0	189	$0
Ambler	2.0	DNR	275	DNR
Anaktuvuk Pass	0.0	$0	234	$0
Anderson	DNR	DNR	775	DNR
Angoon	2.0	$17,303.57	639	$13.54
Aniak	0.0	$0	518	$0
Anvik	0.0	$0	114	$0
Atmautluak	DNR	DNR	234	DNR
Bethel	5.0	$1,816,955.00	4,462	$81.44
Brevig Mission	3.0	$6,785.55	158	$14.32
Buckland	2.0	$14,979.31	259	$28.92
Chefornak	2.0	$4,589.57	275	$8.34
Chevak	2.0	$16,981.00	548	$15.49
Chignik	0.0	$0	132	$0
Chuathbaluk	0.0	$0	123	$0
Clark's Point	3.0	$10,551.93	80	$43.97
Cold Bay	0.0	$0	250	$0
Deering	3.0	$8,744.80	148	$19.70
Delta Junction	0.0	$0	1,207	$0
Diomede	3.0	$10,181.24	157	$21.62
Eagle	0.0	$0	185	$0
Eek	DNR	DNR	259	DNR
Ekwok	DNR	DNR	107	DNR
Elim	2.0	$11,031.30	257	$21.46
Emmonak	3.0	$91,386.81	641	$47.52
Fort Yukon	3.0	$103,000.00	641	$53.56
Gambell	3.0	$33,596.05	500	$22.40
Golovin	0.0	$0	135	$0
Goodnews Bay	DNR	DNR	247	DNR
Grayling	0.0	$0	211	$0
Holy Cross	0.0	$0	262	$0
Hooper Bay	2.0	$45,573.60	776	$29.36
Houston	0.0	$0	821	$0
Hughes	0.0	$0	97	$0
Huslia	0.0	$0	258	$0

* DNR = did not respond

TABLE IX-B - cont'd.

	Sales Tax	Revenues	Population	Per Cap Revenues @ 1%
Kachemak	DNR	DNR	325	DNR
Kaktovik	0.0	$0	201	$0
Kaltag	0.0	$0	280	$0
Kasaan	0.0	$0	88	$0
Kasigluk	2.0	$25,323.23	413	$30.66
Kiana	2.0	$19,767.33	434	$22.77
Kivalina	2.0	$10,769.73	272	$19.80
Kobuk	0.0	$0	86	$0
Kotlik	2.0	$22,000.00	424	$25.94
Kotzebue	3.0	$712,613.61	3,594	$66.09
Koyuk	2.0	$10,533.81	216	$24.38
Koyukuk	0.0	$0	131	$0
Kupreanof	0.0	$0	41	$0
Kwethluk	DNR	DNR	507	DNR
Larsen Bay	3.0	$15,714.49	215	$24.36
Lower Kalskag	0.0	$0	273	$0
Manokotak	DNR	DNR	299	DNR
Marshall	0.0	$0	270	$0
McGrath	0.0	$0	510	$0
Mekoryuk	2.0	$9,710.34	173	$28.06
Mountain Village	DNR	DNR	665	DNR
Napakiak	2.0	$21,499.22	353	$30.45
Napaskiak	0.0	$0	311	$0
Newhalen	0.0	$0	163	$0
New Stuyahok	0.0	$0	337	$0
Newtok	3.0	$7,006.00	207	$11.28
Nightmute	2.0	$2,238.73	145	$7.72
Nikolai	0.0	$0	119	$0
Nondalton	0.0	$0	247	$0
Noorvik	2.0	$11,845.00	517	$11.46
Nuiqsut	3.0	$4,286.01	304	$4.70
Nulato	0.0	$0	382	$0
Nunapitchuk	2.0	$17,004.00	365	$23.29
Old Harbor	3.0	$7,012.00	380	$6.15
Ouzinkie	3.0	$7,893.86	233	$11.29
Pilot Station	4.0	$29,507.03	419	$17.61
Platinum	DNR	DNR	62	DNR
Point Hope	3.0	$20,690.60	600	$11.49
Port Alexander	2.0	$2,300.00	96	11.98
Port Heiden	0.0	$0	94	$0
Port Lions	0.0	$0	291	$0
Quinhagak	3.0	$40,037.36	464	$28.76
Ruby	0.0	$0	233	$0
Russian Mission	0.0	$0	231	$0

TABLE IX-B - cont'd.

	Sales Tax	Revenues	Population	Per Cap Revenues @ 1%
St. George	DNR	DNR	195	DNR
St. Michael	2.0	$23,149.98	291	$39.78
St. Paul	DNR	DNR	595	DNR
Savoonga	DNR	DNR	477	DNR
Saxman	0.0	$0	343	$0
Scammon Bay	2.0	$14,000.00	303	$23.10
Selawik	3.0	$39,694.31	589	$22.46
Shageluk	DNR	DNR	167	DNR
Shaktoolik	DNR	DNR	166	DNR
Sheldon Point	0.0	$0	123	$0
Shishmaref	1.0	$18,064.96	444	$40.69
Shungnak	2.0	$12,171.74	245	$24.84
Stebbins	3.0	$14,356.00	384	$12.46
Teller	3.0	$3,514.59	247	$4.74
Tenakee Springs	1.0	$2,380.23	125	$19.04
Thorne Bay	2.0	$31,979.00	475	$33.66
Togiak	2.0	$17,540.18	623	$14.08
Toksook Bay	2.0	$11,550.53	396	$14.58
Tuluksak	0.0	$0	321	$0
Tununak	2.0	$15,000.00	338	$22.19
Unalakleet	3.0	$116,000.00	787	$49.13
Upper Kalskag	0.0	$0	144	$0
Wainwright	3.0	$38,304.00	549	$23.26
Wales	1.0	$5,296.76	150	$35.31
White Mountain	1.0	$2,100.00	158	$13.29
Whittier	3.0	$105,577.00	333	$105.68

TABLE X

ASSESSED VALUES AND

PROPERTY AND SALES TAX REVENUE RECAP

Table X-A is a summary of assessed values. Table X-B lists estimated property and sales tax revenues received in taxing municipalities throughout the state.

TABLE X-A

SUMMARY OF ASSESSED VALUES

BOROUGHS	REAL PROP ASSESSED	PERS PROP ASSESSED	STATE ASSESSED	TOTAL ASSESSED
ANCHORAGE	$16,468,860,400	$1,440,500,000	$73,850,800	$17,983,211,200
BRISTOL BAY	$56,979,400	$40,950,500	$0	$97,929,900
FAIRBANKS (CITY)	$1,082,115,400	$0	$0	$1,082,115,400
North Pole	$161,131,400	$0	$0	$161,131,400
Other	$1,588,989,500	$0	$0	$1,588,989,500
TOTAL	$2,832,236,300	$0	$611,749,900	$3,443,986,200
HAINES (CITY)	$35,652,500	$2,938,300	$0	$38,590,800
Other	$35,905,200	$4,581,900	$0	$40,487,100
TOTAL	$71,557,700	$7,520,200	$0	$79,077,900
JUNEAU (CITY)	$315,695,900	$45,621,300	$0	$361,317,200
Douglas	$66,694,800	1,854,400	$0	$68,549,200
Other	$899,490,000	$108,914,600	$0	1,008,404,600
TOTAL	$1,281,880,700	$156,390,300	$0	$1,438,271,000
KENAI (HOMER)	$193,284,300	$31,152,500	$0	$224,436,800
Kenai	$275,293,500	$41,498,800	$0	$316,792,300
Seldovia	$14,503,700	$5,508,900	$0	$20,012,600
Seward	$86,452,400	$59,765,300	$0	$146,217,700
Soldotna	$208,811,600	$17,568,600	$0	$226,380,200
Other	$1,948,983,900	$124,157,700	$0	$2,073,141,600
TOTAL	$2,727,329,400	$279,651,800	$496,567,400	$3,503,548,600
KETCHIKAN (CITY)	$346,886,900	$22,330,300	$0	$369,217,200
Other	$272,371,200	$11,404,800	$0	$283,776,000
TOTAL	$619,258,100	$33,735,100	$0	$652,993,200
KODIAK (CITY)	$226,050,400	$28,695,300	$0	$254,745,700
Other	$148,085,900	$17,509,500	$0	$165,595,400
TOTAL	$374,136,300	$46,204,800	$0	$420,341,100
MAT-SU (PALMER)	$136,179,700	$16,510,800	$0	$152,690,500
Houston	$49,976,200	$263,100	$0	$50,239,300
Wasilla	$333,586,900	$26,589,200	$0	$360,176,100
Other	$1,888,929,100	$100,778,900	$0	$1,989,708,000
TOTAL	$2,408,671,900	$144,142,000	$1,626,500	$2,554,440,400
NORTH SLOPE	$242,139,900	$133,539,800	$13,153,045,600	$13,528,725,300
NORTHWEST ARCTIC	$0	$0	$0	$0
SITKA	$328,048,100	$52,758,800	$0	$380,806,900
TOTAL BOROUGHS	$27,411,098,200	$2,335,393,300	$14,336,840,200	$44,083,331,700

TABLE X-A - cont'd.

CITIES	REAL PROP ASSESSED	PERS PROP ASSESSED	STATE ASSESSED	TOTAL ASSESSED
CORDOVA	$61,475,900	$0	$0	$61,475,900
CRAIG	$24,826,600	$1,176,000	$0	$26,002,600
DILLINGHAM	$64,536,600	$35,192,600	$0	$99,729,200
EAGLE	$6,460,800	$0	$0	$6,460,800
NENANA	$9,280,300	$5,098,500	$0	$14,378,800
NOME	$105,286,900	$27,486,100	$0	$132,773,000
PELICAN	$6,623,500	$4,163,900	$0	$10,787,400
PETERSBURG	$101,262,600	$8,645,700	$0	$109,908,300
SKAGWAY	$47,342,900	$0	$0	$47,342,900
UNALASKA	$55,859,900	$29,549,500	$9,100	$85,418,500
VALDEZ	$127,174,200	$0	$1,505,174,000	$1,632,348,200
WHITTIER	$11,529,900	$7,383,500	$0	$18,913,400
WRANGELL	$75,456,100	$4,904,600	$0	$80,360,700
YAKUTAT	$11,675,300	$0	$1,632,000	$13,307,300
TOTAL CITIES	$708,791,500	$123,600,400	$1,506,815,100	$2,339,207,000
UNORGANIZED BOROUGH	$0	$0	$3,707,364,400	$3,707,364,400
TOTAL BOROUGHS	$27,411,098,200	$2,335,393,300	$14,336,840,200	$44,083,331,700
STATEWIDE TOTAL	$28,119,889,700	$2,458,993,700	$19,551,019,700	$50,129,903,100

TABLE X-B
REVENUES

BOROUGHS	REVENUE SALES TAX	REVENUE PROP TAX	REVENUE OIL/GAS	TOTAL REVENUE
ANCHORAGE	$0	$132,291,000	$741,400	$133,032,400
BRISTOL BAY	$1,115,300	$388,100	$0	$1,503,400
FAIRBANKS	$1,509,500	$24,355,800	$5,335,600	$31,200,900
HAINES	$658,700	$520,500	$0	$1,179,200
JUNEAU	$12,210,600	$12,533,124	$0	$24,743,724
KENAI	$13,110,400	$15,857,300	$3,352,900	$32,320,600
KETCHIKAN	$4,754,100	$5,522,300	$0	$10,276,400
KODIAK	$3,755,500	$2,077,800	$0	$5,833,300
MAT-SU	$970,700	$15,766,600	$9,400	$16,746,700
NORTH SLOPE	$3,950,000	$7,003,300	$241,621,400	$252,574,700
NORTHWEST ARCTIC	$0	$0	$0	$0
SITKA	$2,914,600	$1,131,900	$0	$4,046,500
TOTAL BOROUGHS	$44,949,400	$217,447,724	$251,060,700	$513,457,824
CITIES				
BETHEL	$1,816,955	$0	$0	$1,816,955
CORDOVA	$1,170,700	$179,600	$0	$1,350,300
CRAIG	$374,500	$136,800	$0	$511,300
DELTA JUNCTION	$0	$0	$0	$0
DILLINGHAM	$642,500	$282,800	$0	$925,300
EAGLE	$0	$4,000	$0	$4,000
GALENA	$0	$0	$0	$0
HOONAH	$133,600	$0	$0	$133,600
HYDABURG	$0	$0	$0	$0
KAKE	$66,000	$0	$0	$66,000
KING COVE	$340,000	$0	$0	$340,000
KLAWOCK	$0	$0	$0	$0
NENANA	$88,000	$133,500	$0	$221,500
NOME	$915,900	$847,000	$0	$1,762,900
PELICAN	$55,700	$50,100	$0	$105,800
PETERSBURG	$1,267,500	$590,100	$0	$1,857,600
ST. MARY'S	$0	$0	$0	$0
SAND POINT	$286,000	$0	$0	$286,000
SKAGWAY	$429,600	$217,900	$0	$647,500
TANANA	$23,600	$0	$0	$23,600
UNALAKLEET	$0	$0	$0	$0
UNALASKA	$1,323,000	$1,039,000	$100	$2,362,100
VALDEZ	$0	$487,300	$26,257,800	$26,745,100
WHITTIER	$105,577	$104,000	$0	$209,577
WRANGELL	$998,800	$573,900	$0	$1,572,700
YAKUTAT	$114,000	$102,400	$20,100	$236,500
TOTAL CITIES	$10,151,932	$4,748,400	$26,278,000	$41,178,332
TOTAL BOROUGHS	$44,949,400	$217,447,724	$251,060,700	$513,457,824
STATEWIDE TOTAL	$55,101,332	$222,196,124	$277,338,700	$554,636,156

Chapter 5

APPENDICES AND SUPPORTING DATA

Appendix A

HOUSE CONCURRENT RESOLUTION NO. 14

HOUSE CONCURRENT RESOLUTIONS

House Concurrent Resolution No. 14

Relating to the establishment of uniform assessment procedures.

Be it Resolved by the House in Second Legislature, Second Session Assembled, the Senate Concurring:

WHEREAS Section 3, Article IX of the state constitution provides that standards for appraisal of all property assessed by the state or its political subdivisions shall be prescribed by law; and

WHEREAS there is now no provision in the law to assure a uniform, equalized, and realistic assessment of property throughout the state; and

WHEREAS fairness in the collection of taxes and the distribution of state funds to political subdivisions, especially for school purposes, demands uniform, equalized, and realistic assessment on a statewide basis; and

WHEREAS, in order to prescribe standards, the legislature must have information as to existing practices in Alaska and in other states as to recent practices and theory, and as to assessment problems peculiar to Alaska;

BE IT RESOLVED by the House in Second Legislature, Second Session assembled, the Senate concurring, that the Local Affairs Agency prepare for the First Session of the Third Legislature a study of assessment problems and procedures in Alaska, initiate and cooperate with the local units of government in the preparation of a manual for assessors to enable them to assess uniformly throughout the state, and prepare a report recommending any legislation necessary to establish uniform, equalized, and realistic assessment throughout Alaska; and be it

FURTHER RESOLVED that the Local Affairs Agency is authorized to inspect the records of equalization, and of any other person or agency charged with any duty pertaining to the assessment of property; and that all persons in all levels of government and private persons who have assessment functions give the Local Affairs Agency full cooperation; and be it

FURTHER RESOLVED that the director of the Local Affairs Agency is authorized to employ a person skilled in assessment matters, and to hold any hearings which are in his opinion necessary to the preparation of the study, the manual or the report.

Passed by the House April 1, 1961.

Passed by the Senate February 22, 1961.

Appendix B

SENIOR CITIZEN/DISABLED VETERAN PROPERTY TAX RELIEF PROGRAMS

- Tax Exemption for Homeowners
- Equivalency Payments for Renters

SENIOR CITIZEN/DISABLED VETERAN HOMEOWNER EXEMPTION PROGRAM HISTORY AS 29.45.030(e) - (i)

January 1, 1973 - Alaska's first Senior Citizen Property Tax Exemption Program was enacted (Chapter 118, SLA 72).

January 1, 1974 - The $10,000 gross annual income limitation as a prerequisite to eligibility was deleted (Sec. 1, Chapter 60, SLA 74).

January 1, 1977 - An extension of the filing date deadline for "good cause shown" was authorized (Sec. 1, Chapter 65, SLA 75).

January 1, 1985 - Disabled veterans, whose disability has been rated as 50 percent or more and the widow or widower of a person who was eligible for payment and is at least 60 years old were added to the program. Prorationing language was also included in this bill allowing the department to prorate payments if appropriations are not sufficient to fully fund municipal reimbursements from this program. The senior citizen and disabled veteran will continue to receive 100 percent exemption under Chapter 40, SLA 84.

January 1, 1987 - The exemption was limited to the first $150,000 of the assessed value of real property. A municipality may, in case of hardship, provide for exemption beyond the first $150,000 of the assessed value (Chapter 70, SLA 86).

The law exempts the real property owned and occupied as a permanent place of abode by a resident 65 years of age or over or by a disabled veteran.

A breakdown of the FY 86 program by participating municipalities is illustrated in the table on the following page.

A nine-year performance summary is outlined below:

FISCAL YEAR	NUMBER OF APPLICATIONS APPROVED	ASSESSED VALUE EXEMPT	TOTAL REVENUE REIMBURSEMENT	AVERAGE VALUE PER APPLICATION	AVERAGE TAX PER APPLICATION
1978	2,909	$104,306,352	$1,512,983	$35,856	$520
1979	3,108	128,810,117	1,761,540	41,445	567
1980	3,393	165,159,728	1,899,611	48,677	560
1981	3,842	211,428,981	2,291,811	55,031	596
1982	4,147	277,154,113	1,757,887	66,833	423
1983	4,893	324,220,034	2,092,317	66,262	428
1984	5,156	392,215,073	3,146,618	76,070	610
1985	5,418	478,983,142	4,005,075	88,406	739
1986	6,061	609,947,921	3,958,567 *	100,635	821

* SHORTAGE DUE TO PRORATIONING

SENIOR CITIZEN & DISABLED VETERAN HOMEOWNER EXEMPTION
FISCAL YEAR 86 PROGRAM SUMMARY BREAKDOWN

Boroughs	Number of Applications Approved	Assessed Value Exempt	Tax Exempt	Amount Prorated Payment*	Shortage Due To Prorationing	Average Valuation Per Application	Average Tax Per Application
Anchorage	2,272	$279,457,723	$2,555,541	$2,032,422	$523,119	$123,001	$1,125
Bristol Bay	7	523,315	2,467	1,962	505	74,759	352
Fairbanks North Star	770	61,413,538	634,888	504,927	129,962	79,758	825
Haines	72	4,329,700	33,675	26,782	6,893	60,135	468
Juneau	501	51,754,600	488,004	388,109	99,894	103,303	974
Kenai Peninsula	809	62,359,644	261,082	207,638	53,443	77,082	323
Ketchikan Gateway	327	27,213,256	233,150	185,424	47,726	83,221	713
Kodiak Island	132	12,581,683	64,887	51,605	13,282	95,316	492
Matanuska-Susitna	604	68,863,500	461,202	366,794	94,408	114,012	764
North Slope	18	1,558,140	30,570	24,312	6,258	86,563	1,698
Sitka	137	12,000,825	36,003	28,633	7,370	87,597	263
Total Boroughs	5,649	$582,055,924	$4,801,468	$3,818,608	$ 982,860	$103,037	$ 850
Cities							
Cordova	36	$2,533,275	$7,560	$6,044	$1,556	$70,369	$210
Craig	9	652,400	3,914	3,113	801	72,489	435
Dillingham	24	2,902,700	8,708	6,926	1,783	120,946	363
Eagle	4	128,173	128	102	26	32,043	32
Nenana	16	445,876	4,905	3,901	1,004	27,867	307
Nome	60	2,927,226	26,345	20,952	5,393	48,787	439
Pelican	5	217,162	1,495	1,189	306	43,432	299
Petersburg	96	7,800,290	45,203	35,950	9,253	81,253	471
Skagway	31	2,152,350	8,789	6,990	1,799	69,431	284
Unalaska	5	397,000	4,997	3,974	1,023	79,400	999
Valdez	28	2,265,045	23,580	18,753	4,827	80,894	842
Whittier	8	216,100	1,081	859	221	27,013	135
Wrangell	79	4,723,550	32,710	26,014	6,696	59,792	414
Yakutat	11	530,850	6,530	5,193	1,337	48,259	594
Total Cities	412	$27,891,997	$175,983	$139,960	$36,025	$67,699	$427
Statewide Total	6,061	$609,947,921	$4,977,451	$3,958,567	$1,018,884	$100,635	$821

* PRORATIONING = 79.53 with existing funds:

FY 86 TOTAL BUDGET	$4,008,600
FY 86 TOTAL REQUEST	(4,977,451)
FY 86 SHORTAGE	$1,018,884

ALASKA STATUTES, TITLE 29
MUNICIPAL GOVERNMENT
CHAPTER 45

* AS 29.45.030 (e)

Sec. 29.45.030. Required Exemptions. (e) The real property owned and occupied as a permanent place of abode of a (1) resident 65 years of age or over; (2) disabled veteran; or (3) resident at least 60 years old who is the widow or widower of a person who qualified for an exemption under (1) or (2) of this subsection, is exempt from taxation of the assessed value of the real property. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties concerned, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560 - 44.62.570.

(f) An exemption may not be granted under (e) of this section except upon written application for the exemption on a form approved by the state assessor for use by local assessors. The claimant must file the application no later than January 15, or a date provided by ordinance that is not later than March 31, of the assessment year for which the exemption is sought. The governing body of the municipality for good cause shown may waive during a year the claimant's failure to make timely application for exemption for that year and authorize the assessor to accept the application as if timely filed. The claimant must file a separate application for each assessment year in which the exemption is sought. If an application is filed within the required time and is approved by the assessor, the assessor shall allow an exemption in accordance with the provisions of this section. If a failure to file by January 15, or a date provided by ordinance that is not later than March 31, of the assessment year has been waived as provided in this subsection and the application for exemption is approved, the amount of tax that the claimant has already paid for the assessment year for the property exempted shall be refunded to the claimant. The assessor shall require proof in the form the assessor considers necessary of the right to and amount of an exemption claimed under (e) of this section, and shall require a disabled veteran claiming an exemption under (e) of this section to provide evidence of the disability rating. The assessor may require proof under this section at any time.

(g) The state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of (e) of this section. However, reimbursement will be made to a municipality for revenue lost to it only to the extent that the loss exceeds an exemption that was granted by the municipality, or that on proper application by an individual would have been granted under AS 29.45.050(a). If appropriations are not sufficient to fully fund reimbursements under this subsection, the amount available shall be distributed pro rata among eligible municipalities.

(h) Except as provided in (g) of this section, nothing in (e) - (j) of this section affects similar exemptions from property taxes granted by a municipality on September 10, 1972, or prevents a municipality from granting similar exemptions by ordinance as provided in AS 29.45.050.

(i) In (e) - (i) of this section

(1) "disabled veteran" means a disabled person separated from the military service of the United States under a condition that is not dishonorable who is a resident of the state, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated as 50 percent or more by the branch of service in which that person served or by the Veterans' Administration;

(2) "real property" includes but is not limited to mobile homes, whether classified as real or personal property for municipal tax purposes.

* Revise Effective 1/1/86 (Chapter 74, SLA 1985)

ALASKA ADMINISTRATIVE CODE TITLE 19
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
CHAPTER 35, SENIOR CITIZEN PROPERTY TAX EXEMPTION

19 AAC 35.010. METHOD O. APPLICATION. Applications for the senior citizens' property tax exemption shall be on forms provided by the Department of Community and Regional Affairs. (Eff. 1/28/73, Reg. 45)

19 AAC 35.020. FORMS. Form 21-400 is hereby adopted by the department for use in the application for senior citizens' property tax exemptions. (Eff. 1/28/73, Reg. 45; am 1/27/74, Reg. 48)

19 AAC 35.030. OBTAINING FORMS. Application forms are available only from the office of the clerk or assessor of the municipality. (Eff. 1/28/73, Reg. 45)

19 AAC 35.040. SUBMISSION OF APPLICATIONS. Exemption applications filed after January 15, in accordance with AS 29.53.020(f), must be accompanied by an affidavit stating the reason for the late filing. (Eff. 1/28/73, Reg. 45; am 3/31/76, Reg. 57)

19 AAC 35.050. SUBMISSION OF AMENDED APPLICATION. Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 35.060. SUPPLEMENTARY INFORMATION. Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 35.070. CONFIDENTIALITY. Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 35.080. APPLICABILITY OF INCOME CRITERIA. (a)(b)&(c) Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 35.085. ELIGIBILITY. (a) When an eligible person and his or her spouse occupy the same permanent place of abode, the reimbursement applies to the entire value of their property, regardless of whether the property is held in the name of the husband, wife, or both.

(b) The spouse of a previous applicant filing for the first time on property exempted in a prior year must qualify for the exemption in the same manner as for any new filing.

(c) If property is occupied by a person other than the eligible applicant and his or her spouse, an exemption, to be eligible for reimbursement, applies only to the portion of the property permanently occupied by the eligible applicant and his or her spouse as a place of abode.

(d) The real property eligible for reimbursement under this chapter includes

(1) primary parcel: the entire parcel of real property owned and occupied by an applicant as a permanent place of abode; and

(2) subsidiary parcel: a parcel of real property adjacent to the primary parcel described under (1) of this subsection, subject to approval by the department.

19 AAC 35.090. APPLICABILITY OF LIENS. Repealed.

19 AAC 35.095. OTHER STATUTORY ENCUMBRANCES. Approval of the property for the property tax exemption does not exempt the property from other statutory encumbrances.

19 AAC 35.100. PENALTY. Repealed. (Eff. 1/27/73, Reg. 48)

19 AAC 35.110. APPEAL. (a) An applicant aggrieved by any determination of the local assessor, except a decision as to the purpose of a transfer, may appeal under AS 29.53.130 - 29.53.135 to his local board of equalization.

(b) The determination of the board of equalization is appealable under AS 44.62.560 - 44.62.570. (Eff. 1/28/73, Reg. 45)

19 AAC 35.120. DEFINITIONS. In this chapter

(1) repealed (Eff. 1/27/73, Reg. 48);

(2) "exemption year" means the calendar year for which the exemption is sought;

(3) "real property" includes, but is not limited to, mobile homes, whether classified as real or personal property for municipal tax purposes;

(4) "permanent place of abode" means a dwelling, or a dwelling unit in a multiple dwelling, including lots and outbuildings, or an appropriate portion thereof, which are necessary to convenient use of the dwelling unit;

(5) "resident" includes applicants who have a a fixed habitation in the State of Alaska, and, when absent, intend to return to the State of Alaska;

(6) "ownership" means possession of an interest in real property, including but not limited to, a mobile home or condominium, which interest is recorded in the office of the district recorder, or, if unrecorded, is attested by a contract, bill of sale, deed of trust, or other proof in a form satisfactory to the local assessor;

(7) "department" means the Department of Community and Regional Affairs;

(8) "senior citizen" means one who is age 65 or older before January 1 of the exemption year. (Eff. 1/28/73, Reg. 45; am 4/18/73, Reg. 45; am 1/27/74, Reg. 48; am 3/31/76, Reg. 57; am 11/24/82, Reg. 84)

SENIOR CITIZEN/DISABLED VETERAN
PROPERTY TAX EQUIVALENCY
PROGRAM HISTORY
AS 29.45.040

September 18, 1976 - the Senior Citizen Property Tax Exemption Program was enacted and became effective the same date (Sec. 2, Chapter 217, SLA 1976).

The amount of the equivalency payment is computed by multiplying the number of mills which a municipality levies times one-half percent to determine the percentage portion of the total annual rent paid. The result is considered to be the amount of property tax which is included as part of the rent. The amount of equivalency payment grant is subject to a limitation of $375 for a full year. For 1976, the $375 limitation was adjusted to 28.688%, or $107.58.

January 1, 1978 - the Act was amended to increase the payment from 1/2 percent to 1 percent and the $375 payment limit was eliminated.

January 1, 1985 - the Act was amended to include a disabled veteran whose disability is 50% or more and the widow or widower of a person who was eligible for payment and is at least 60 years old. Prorationing language was also included in this bill allowing the department to prorate payments if appropriations are not sufficient to fully fund tax equivalency payments.

A nine-year performance summary is outlined below:

Fiscal Year	Number of Applications Approved	Annual Rent Paid	Payment	Average Rent	Average Payment
1978	538	$1,220,587	$ 97,143	$2,269	$181
1979	533	$1,260,698	$ 94,824	$2,365	$178
1980	738	$1,857,731	$122,894	$2,517	$167
1981	694	$1,921,244	$230,996	$2,768	$333
1982	742	$2,249,821	$160,163	$3,032	$216
1983	720	$2,439,506	$208,538	$3,388	$290
1984	662	$2,482,387	$210,573	$3,750	$318
1985	695	$2,849,565	$268,349	$4,100	$386
1986	654	$2,900,469	$260,592	$4,435	$399

SENIOR CITIZEN & DISABLED VETERAN RENTER PAYMENT
FISCAL YEAR 86 PROGRAM SUMMARY

(PAYMENTS BASED ON RENT PAID DURING 1985)

SENIOR CITIZENS

Boroughs	Number of Applications Approved	Annual Rent Paid	Payment Amount	Average Annual Rent Per Application	Average Payment Per Application
Anchorage	304	$1,391,564	$129,230	$4,578	$425
Fairbanks North Star	65	294,385	31,906	4,529	491
Haines	1	4,520	520	4,520	520
Juneau	85	436,983	43,598	5,141	513
Kenai Peninsula	41	132,074	8,681	3,221	212
Ketchikan Gateway	33	132,020	14,473	4,001	439
Kodiak Island	46	164,752	9,880	3,582	215
Matanuska-Susitna	15	60,636	5,024	4,042	335
North Slope	1	4,200	814	4,200	814
Sitka	16	88,940	2,594	5,559	162
Total Boroughs	607	$2,710,074	$246,720	$4,465	$407
Cities					
Cordova	2	$ 9,468	$ 284	$4,734	$142
Nenana	1	2,520	277	2,520	277
Nome	2	7,800	702	3,900	351
Petersburg	8	29,510	1,771	3,689	221
Skagway	1	2,700	135	2,700	135
Wrangell	22	75,413	5,617	3,428	255
Yakutat	1	1,236	152	1,236	152
Total Cities	37	$ 128,647	$ 8,938	$3,477	$242
Statewide Total	644	$2,838,721	$255,658	$4,408	$397

DISABLED VETERANS

Boroughs	Number of Applications Approved	Annual Rent Paid	Payment Amount	Average Annual Rent Per Application	Average Payment Per Application
Anchorage	7	$41,795	$3,870	$5,971	$553
Kenai Peninsula	1	6,083	266	6,083	266
Kodiak Island	2	13,870	798	6,935	399
Total Boroughs	10	$61,748	$4,934	$6,175	$494

ALASKA STATUTES, TITLE 29
MUNICIPAL GOVERNMENT
CHAPTER 45
PROPERTY TAX EQUIVALENCY PAYMENTS

* AS 29.45.040

Sec. 29.45.040. Property tax equivalency payments. (a) A resident of the state who rents a permanent place of abode is eligible for a tax equivalency payment from the state through the department if the resident is:

(1) at least 65 years old;

(2) a disabled veteran; or

(3) at least 60 years old and the widow or widower of a person who was eligible for payment under (1) or (2) of this subsection.

(b) For purposes of determining the amount of a payment to an eligible person, the department shall calculate at the rate of one percent per mill a property tax equivalent percentage for each municipality that levies a property tax. The property tax equivalent percentage applied to the annual rent charged to the applicant equals the property tax equivalency payment payable under this section.

(c) To obtain a tax equivalency payment the eligible resident must apply to the department for payment for the preceding year by January 15 of each year on forms and in the manner prescribed by the department. The department for good cause shown may waive an applicant's failure to make timely application for a tax equivalency payment and accept the application as if timely filed. Each applicant shall submit with the application rental receipts or, if rental receipts are not available, other evidence satisfactory to the department for determination of the fact of payment of rent and the amount paid. A disabled veteran shall submit with the application evidence of the disability rating.

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for a tax equivalency payment under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. However, a tax equivalency payment to an eligible applicant may not be reduced because the spouse is less than 65 years of age or is not a disabled veteran. If all occupants in a residence are eligible for a tax equivalency payment under this section, the occupants shall decide between and among themselves which shall receive payment.

* Revise effective 1/1/86 (Chapter 74, SLA 1985)

ALASKA ADMINISTRATIVE CODE TITLE 19
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
CHAPTER 36, SENIOR CITIZEN PROPERTY TAX EQUIVALENCY PAYMENT

19 AAC 36.010. FORMS. (a) 21-405 is adopted by the department for use in application for the senior citizen renter property tax equivalency payment. Form 21-405a "rent certificate" is adopted by the department as a supplement to Form 21-405.

(b) Application forms will be supplied upon request by the office of the state assessor.

19 AAC 36.020. RENTAL PAYMENT VERIFICATION. Satisfactory evidence of payment and the amount paid, as required by AS 29.73.060(c), includes:

(1) Form 21-405a, property completed by the landlord and attached to Form 21-405;

(2) cancelled checks payable to the landlord for rent paid;

(3) rent receipts or;

(4) a combination of the items on (1)-(3) of this section.

19 AAC 36.030. ELIGIBILITY. (a) To be eligible, property for which rent is paid must be subject to a local property tax. Payment in place of property tax is not considered local property tax for purposes of this chapter.

(b) To be eligible, a rental payment must be paid to the landlord and must exclude security deposits, rent paid for the year before the program year, and advance payments for the year after the program year. Rental charges for food, medical care and supplies, personal services, or other items not eligible. Sales tax paid to the landlord for the rental may be included in the eligible rent paid.

(c) An applicant may not receive a property tax exemption under AS 29.53.020(e) - (i) and renter equivalency payments under AS 29.73.060 for the same program year unless a portion of a permanent place of abode is owned and a portion of the same permanent place of abode is rented.

(d) An applicant must be age 65 or older before January 1 of the program year to be eligible.

(e) Application for an equivalency payment must be mailed to the department by January 15 of the year following the program year.

19 AAC 36.040. VERIFICATION OF AGE. (a) Documentation of birth date is required the first year an applicant enters the program. Submission of one of the following documents clearly showing birth date of the applicant is adequate documentation:

(1) birth certificate;

(2) proof of eligibility for the Alaska Longevity Program, or any Alaska state program that requires similar adequate documentation of age;

(3) baptismal certificate showing date of birth and issued during the first few years of life;

(4) naturalization papers;

(5) a document issued by the Social Security Administration showing date of birth; or

(6) a Bureau of the Vital Statistics record of birth.

(b) The department will, in its discretion, accept as adequate documentation other documents attesting to the age of the applicant. (Eff. 11/24/82, Reg. 84)

Authority: AS 29.73.060
AS 44.47.980

19 AAC 36.050. COMPUTATION OF PAYMENT. (a) No payment will be made for less than $1.

(b) The property tax equivalent percentage for each home rule or general law municipality that levies a general property tax is based on the highest mill rate levied within that municipality during the program year.

(c) The mill rate levied against the abode most recently occupied is used to determine the equivalent percentage for that year. (Eff. 11/24/82, Reg. 84).

Authority: AS 29.73.060
AS 44.47.980

19 AAC 36.060. DEFINITIONS. In this chapter

(1) "department" means the Department of Community and Regional Affairs;

(2) "program year" means the calendar immediately preceding the filing date.

Appendix C

SENIOR CITIZEN MOTOR VEHICLE REGISTRATION TAX PAYMENT

SENIOR CITIZEN MOTOR VEHICLE TAX EXEMPTION
AS 28.45.030(j)

October 15, 1979 - the law requiring senior citizen motor vehicle registration tax payments was enacted (Chapter 179, SLA 1979).

January 1, 1979 - the Division of Motor Vehicles began its administrative role.

January 1, 1987 - the Legislature amended this program and eliminated the State's obligation to reimburse municipalities for lost revenues. However, the Senior Citizen will continue to receive the exemption. Effective 1/1/87 (Chapter 78, SLA 86).

"The Department of Community and Regional Affairs shall pay to the borough or city in which a person who is granted an exemption under (c) of this section resides, an amount equal to the tax levied under section 020(a) of this chapter regardless of whether the borough or city is eligible for the tax levied under that section."

The law provides for exemption from the locally imposed, state collected registration tax on a motor vehicle owned by a senior citizen. The Senior Citizen completes an exemption form at the time of registration and is exempt from the tax. That form is then forwarded to the Department of Community and Regional Affairs and the appropriate municipality is reimbursed.

A summary of program payments by municipalities for Fiscal Year 1990 is provided on the following page.

The six-year program performance summary is outlined below:

FISCAL YEAR	NUMBER OF REGISTRANTS	MUNICIPAL REIMBURSEMENT	AVERAGE PER REGISTRANT
1985	5,127	$80,154	$15.59
1986	5,140	$81,597	$15.87
1987	4,353	$110,839	$25.46
1988	4,220	$113,741	$26.95
1989	4,964	$111,997	$22.56
1990	5,770	$111,443	$19.48

SENIOR CITIZEN MOTOR VEHICLE REGISTRATION TAX
FISCAL YEAR 86 PROGRAM

Exempt Seniors	Number of Affidavits	Amount of Motor Vehicle Registration Tax
Anchorage, Municipality of	2,406	$51,438
Bristol Bay Borough	10	104
Ketchikan Gateway Borough	336	6,222
Kodiak Island Borough	131	2,950
Matanuska-Susitna Borough	798	16,073
Petersburg, City of	93	1,825
Subtotals	3,774	$78,612
No Tax Vehicles		
Fairbanks North Star Borough	821	$12,072
Juneau, City & Borough of	491	10,782
Cordova, City of	60	1,015
Craig, City of	7	80
Valdez, City of	36	610
Wrangell, City of	52	975
Yakutat, City of	2	45
Subtotals	1,469	$25,579
Seniors Not Exempt		
Haines Borough	40	$530
Kenai Peninsula Borough	360	5,767
Sitka, City & Borough of	65	1,040
Dillingham, City of	2	60
Nenana, City of	6	75
Nome, City of	36	600
Skagway, City of	13	100
Whittier, City of	5	120
Subtotals	527	$8,292
Statewide Total Reimbursed	5,770	$112,483

ALASKA STATUTES TITLE 29
MUNICIPAL GOVERNMENT CHAPTER 45
MUNICIPAL TAXATION
MOTOR VEHICLE TAX EXEMPTION

* AS 29.45.030(j)

(j) One motor vehicle per household owned by a resident 65 years of age or older on January 1 of the assessment year is exempt either from taxation on its assessed value or from the registration tax under AS 28.10.431. An exemption may be granted under this subsection only upon written application on a form prescribed by the Department of Public Safety. The state shall reimburse a municipality for tax revenues lost to it because of the exemption required by this subsection. Reimbursement to a municipality equals the anount of registration tax authorized under AS 28.10.431(b) for each vehicle exempted under this subsection.

* Amended effective 1/1/86 (Chapter 74, SLA 85)

Appendix D

SENIOR CITIZEN
SPECIAL ASSESSMENTS EXEMPTION

Water and Sewer

SENIOR CITIZEN SPECIAL ASSESSMENT EXEMPTION PROGRAM HISTORY AS 29.46.090

September 2, 1975 - the first senior citizen deferred tax program relating to special assessments was enacted (Sec. 1, Chapter 114, SLA 1975).

June 21, 1976 - the act was repealed and reenacted (Sec. 1, Chapter 215, SLA 1976).

June 2, 1979 - the renewal deadline was extended to March 15, and the department became the agency responsible for waiver of the deadline (Sec. 23, Chapter 83, SLA 1979).

January 1, 1987 - this program was repealed in Chapter 70, SLA 86. Senior citizens currently on the program will continue to receive the deferral of the special assessment payment.

The law provides for deferred payment of special assessments levied by municipalities for the installation of sewer and/or water systems. Properties owned and occupied by permanent residents of the state, 65 years of age or older, may be eligible.

State reimbursement is provided to the municipality for revenue lost in operation of the program. At the time of reimbursement, the municipal lien is satisfied and a lien in favor of the state is recorded in the amount of the assessment levied upon the property. The lien becomes due and payable upon sale or transfer of the property except to a spouse, widow, widower or minor heir. Qualification must be verified each year in order for the deferment to be retained.

SENIOR CITIZEN SEWER & WATER ASSESSMENT DEFERMENT
FIVE-YEAR PERFORMANCE SUMMARY

Municipality	Number Applications Approved	Average Deferment Per Application	Total Revenue Reimbursement
Fairbanks North Star Borough	1	$ 1,375	$ 1,375
Juneau, City & Borough of	1	972	972
Total FY 82	2	$ 1,173	$ 2,347
Anchorage, Municipality of	3	$ 2,461	$ 7,383
Wasilla, City of	3	4,689	14,068
Total FY 83	6	$ 3,575	$21,451
Anchorage, Municipality of	1	$ 4,222	$ 4,222
Wasilla, City of	1	362	362
Palmer, City of	1	7,425	$ 7,425
Total FY 84	3	$ 4,003	$12,009
Anchorage, Municipality of	3	$ 7,096	$21,288
Total FY 85	3	$ 7,096	$21,288
Anchorage, Municipality of	3	$ 3,814	$11,442
Wasilla, City of	2	3,777	7,555
Total FY 86	5	$ 3,799	$18,997
Total FY 82 thru FY 86	19	$19,646	$76,092

LIENS RELEASED & PAYMENTS RETURNED TO THE STATE GENERAL FUND

Fiscal Year	NUMBER OF Accounts	TOTAL REVENUE COLLECTED
1982	9	$ 9,482
1983	8	9,593
1984	14	22,783
1985	10	20,666
1986	4	3,970
	45	$ 66,494

ALASKA STATUTES, TITLE 29
MUNICIPAL GOVERNMENT
CHAPTER 46
SPECIAL ASSESSMENTS

* AS 29.46.090

Sec. 29.46.090. Exemption. (a) The real property owned and occupied by a resident 65 years of age or over, or the spouse, widow, widower, or minor heir of the original applicant, on which is located only the permanent abode of the applicant that is a single-family residence, is exempt from (1) special sewer assessments levied by a municipality after September 2, 1975, and (2) special water assessments levied by a municipality after September 2, 1975. Only one exemption may be granted with respect to the same property, and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. Real property may not be exempted under this subsection that the municipality determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the municipality is appealable under AS 44.62.560 - 44.62.570.

(b) An exemption may not be granted under this section except upon written application for the exemption on a form prescribed by the state assessor for use by local assessors and in accordance with the following requirements:

(1) The claimant must file the initial application during the period of time between the date the assessment roll is confirmed and the time of payment fixed by the governing body. Within one year after the date the assessment roll is confirmed the governing body for good cause shown may waive the claimant's failure to make timely initial application for the exemption and authorize the assessor to accept the application as if timely filed.

(2) A claimant receiving the exemption must file with the assessor by March 15 of each subsequent year a separate application proving eligibility as of January 1 in order to retain the exemption. Within the same year the assessor for good cause shown may waive the claimant's failure to make timely application and approve the application as if timely filed.

(3) If an application is filed within the required time under this subsection and is approved by the governing body, the exemption shall be allowed in accordance with the provisions of this section. If a waiver under this subsection is granted and the application for exemption approved, the amount of any assessment, penalty, or interest that the claimant has already paid on the assessment shall be refunded to the claimant. The municipality may at any time require proof in the form considered necessary of the right and amount of an exemption claimed under this section.

(c) The state shall reimburse a municipality for the sewer and water assessment revenues that it would receive but for the operation of this section. Reimbursement under this subsection is a lien in favor of the state against the property exempted to the extent of the assessment against the property exempted. When properly recorded, the lien is prior and superior to other liens against the property except for property taxes or other special assessments and may be enforced by lien foreclosure. The lien becomes immediately due and payable

(1) upon sale or other transfer of the property except to a spouse, widow, widower, or minor heir; however, if the property is transferred to a minor heir the lien becomes due and payable on the date the minor heir reaches the age of 25 years;

(2) when property exempted under (a)(1) or (2) of this section receives more than one sewer connection or more than one water connection; or

(3) when the claimant fails to prove eligibility under (b)(2) of this section.

(d) This section applies to home rule and general law municipalities.

(e) In this section

(1) "minor heir" means a person who, at the time of transfer of the property, has not attained the age of 19 years or,who, if under 22 years of age, is a full-time student at an educational institution or a member of the armed forces of the United States;

(2) "real property" includes, but is not limited to, mobile homes, whether classified as real or personal property for municipal tax purposes.

* Repealed effective 1/1/87 (Chapter 70, SLA 1986)

ALASKA ADMINISTRATIVE CODE TITLE 19
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
CHAPTER 37, SENIOR CITIZEN SPECIAL
SEWER AND WATER ASSESSMENT DEFERMENT

19 AAC 37.010. FORMS. (a) Form 21-401 is adopted by the department for use in filing an application for the Senior Citizen Sewer and Water Assessment Deferred Payment. Form 21-401b is adopted as the application form for annual renewal of the deferment.

(b) Application forms for the initial deferred payment (Form 21-401) are available only from the clerk, the assessor, or the revenue collector of a municipality. Application forms to renew the deferment (Form 21-401b) are available only from the department.

19 AAC 37.020. ELIGIBILITY. Eligibility requirements under AS 29.63.065 must be met as of the date the assessment district roll is certified under AS 29.63.050.

19 AAC 37.030. MUNICIPAL REIMBURSEMENT. Reimbursement to the municipality will be a lump sum amount equal to the amount authorized under AS 29.63.065(c) as determined by the municipality. Reimbursement will not include penalty or interest.

19 AAC 37.040. LIEN. (a) Upon sale or transfer of all or a portion of the real property, subject to the requirements of AS 29.63.065(c), the entire lien becomes due and payable.

(b) Upon demonstrated need, the department will, in its discretion, arrange repayment of the lien in periodic installments. Upon repayment of the total amount the department will release the lien. If the payment schedule becomes 30 days delinquent, foreclosure of the lien will begin 60 days after notice of delinquency.

(c) Upon sale or other transfer of all or a portion of the real property, the department will release the lien on the entire property and issue a new lien on the portion retained by the claimant if:

(1) the amount of the lien is paid at the time of transfer on the transferred portion based upon a pro rata percentage at the time of the transfer, and

(2) legal descriptions of the transferred property and the retained property are filed with a new application for exemption.

Appendix E

FARM LAND USE ASSESSMENT

FARM USE LAND ASSESSMENT
PROGRAM HISTORY
AS 29.45.060

January 1, 1968 - the first Farm and Agricultural Lands Deferred Tax Program was enacted (Chapter 82, SLA 1967).

January 1, 1975 - the act was substantially amended (Sec. 1, Chapter 90 SLA 1974). The 1974 amendment reduced the yearly gross farm income requirement from 25% to 10%, provided for the averaging of income over a three year period, provided for estimated farm income for the current year, provided for the use of the lessee farm income to qualify the owner for farm use assessment, increased to seven years the deferred tax payment provision, and provided for reimbursement by the state of property tax revenue lost to the municipality through the operation of the act.

January 1, 1977 - the act was further amended (Sec. 3, Chapter 229, SLA 1976). The 1976 amendment increased the penalty for conversion of the land to a use incompatible with farm use by requiring the owner to pay an amount equal to the additional tax at the current mill levy together with eight percent interest for the preceding seven years as though the land had not been assessed for farm use purposes.

September 10, 1978 - the filing deadline was moved to May 15 (Sec. 1, Chapter 66, SLA 1978).

The program was essentially inactive during the first four years of operation since agricultural and rural real estate, for a variety of reasons, simply was not assessed at as high a percentage of value as urban real estate.

The Farm Use Land Assessment Program requires a differential assessment for qualified farm land, with the owner's paying taxes on the land value as a farm, and the State paying the taxes on the remaining value. If the land is converted to a use incompatible with farming, the owner is liable to pay the deferred tax for the preceding seven years.

Experience over the past several years has vividly demonstrated the difficulty of administering the existing legislation. The omission of a lien provision to make the eligible property liable for the payment to the state of an amount equal to the deferred taxes plus interest is a glaring weakness in the legislation which effectively negates the imposition of the penalty provisions.

FARM USE LAND ASSESSMENT

FISCAL YEAR 86: PROGRAM SUMMARY BREAKDOWN

Municipality	Number of Applicants	Number of Acres	Full and True Land Value	Total Deferred Value	Total Deferred Tax
Matanuska-Susitna Borough	64	9,511	$29,941,300	$23,218,900	$150,000
Statewide Total	64	9,511	$29,941,300	$23,218,900	$150,000

FISCAL YEAR 86: FARM USE PROGRAM SHORTAGE

Municipality	Number of Applicants	Number of Acres	Full and True Land Value	Total Deferred Value	Total Deferred Tax
Anchorage	4	153.91	$5,530,130	$3,082,038	$29,058.57
Fairbanks North Star	26	3,856.32	6,596,995	5,887,552	51,568.53
Kenai Peninsula	17	2,835.25	5,771,800	4,295,000	15,679.68
Kodiak Island	4	385.39	1,907,775	1,478,320	5,543.70
Matanuska-Susitna	4	230.39	607,100	579,100	3,622.25
Totals	55	7,461.26	$20,413,800	$15,322,010	$105,472.73

SEVEN-YEAR SUMMARY OF PROGRAM PERFORMANCE

Fiscal Year	Number of Applicants	Number of Acres	Full and True Land Value	Total Deferred Value	Total Deferred Tax
1980	108	16,412	$19,705,705	$18,338,680	$145,129
1981	116	17,666	$22,997,524	$20,348,079	$178,714
1982	115	19,197	$29,653,[illegible]	$20,595,440	$142,249
1983	115	19,636	$23,862,402	$22,006,210	$122,924
1984	121	19,159	$29,328,035	$26,113,035	$201,025
1985	119	18,147	$31,653,580	$28,566,334	$220,046
1986	119	16,973	$50,355,100	$38,141,410	$255,473

Revenues collected through FY 86, as a result of withdrawal from the program, are as follows:

Number of Applicants: 0 Tax Deferred: $0

ALASKA STATUTES, TITLE 29
MUNICIPAL GOVERNMENT
CHAPTER 45
MUNICIPAL ASSESSMENT AND TAXATION
AS 29.45.060. FARM OR AGRICULTURAL LAND

Sec. 29.45.060. Farm or Agricultural Land. (a) Farm use land included in a farm unit and not dedicated or being used for nonfarm purposes shall be assessed on the basis of full and true value for farm use and may not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the land for both full and true value and farm use value. If the land is sold, leased, or otherwise disposed of for uses incompatible with farm use or converted to a use incompatible with farm use by the owner, the owner is liable to pay an amount equal to the additional tax at the current mill levy together with eight percent interest for the preceding seven years, as though the land had not been assessed for farm use purposes. Payment by the owner shall be made to the state to the extent of its reimbursement for revenue loss under (e) of this section for the preceding seven years. The balance of the payment shall be made to the municipality.

(b) An owner of farm use land must, to secure the assessment under this section, apply to the assessor before May 15 of each year in which the assessment is desired. The application shall be made upon forms prescribed by the state assessor for the use of the local assessor, and shall include information that may reasonably be required to determine the entitlement of the applicant. If the land is leased for farm use purposes, the applicant shall furnish to the assessor a copy of the lease bearing the signatures of both lessee and lessor along with the completed application. The applicant shall furnish the assessor a copy of the lease covering the period for which the exemption is requested.

(c) In this section "farm use" means the use of land for profit for raising and harvesting crops, for the feeding, breeding, and management of livestock, for dairying, or another agricultural use, or any combination of these. To be farm use land, the owner or lessee must be actively engaged in farming the land, and derive at least 10 percent of yearly gross income from the land. This section does not apply to land for which the owner has granted, and has outstanding, a lease or option to buy the surface rights. A property owner wishing to file for farm use classification having no history of farm-related income may submit a declaration of intent at the time of filing the application with the assessor setting out the intended use of the land and the anticipated percentage of income. An applicant using this procedure shall file with the assessor before February 1 of the following year a notarized statement of the percentage of gross income attributable to the land. Failure to make the filing required in this subsection forfeits the exemption.

(d) In the event of a crop failure by an act of God the previous year, the owner or lessee may submit an affidavit affirming that 10 percent of gross income for the past three years was from farming.

(e) Subject to legislative appropriations for the purposes, the state shall reimburse a borough or city, as appropriate, for the property tax revenues lost to it by the operation of this section.

ALASKA ADMINISTRATIVE CODE TITLE 19
DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
CHAPTER 38, FARM OR AGRICULTURAL LANDS

19 AAC 38.010. FORMS. (a) The Department of Community and Regional Affairs Form 21-410 and Form 21-411 are adopted for use in application for the farm and agricultural land use assessment and tax deferment program.

(b) Application and authorization forms shall be made available by and shall be returned to the clerk or assessor of the municipality in which the land for which the farm use assessment and tax deferment are sought is located. (Eff. 12/31/75, Reg. 56)

19 AAC 38.020. INCOME VERIFICATION. (a) In addition to the application prescribed in 19 AAC 38.010, an applicant must establish before May 15th of the assessment year that the gross income attributed to farm use land is at least 10 percent of the applicant's yearly gross income, by either

(1) providing the clerk or assessor of the municipality proof of income eligibility as shown by income tax returns or other reasonably documented information which is determined by the local assessor to be sufficient proof of eligibility; or

(2) providing the department with copies of signed federal income tax returns submitted to the Internal Revenue Service for the previous year.

(b) Failure to provide documentation as required by this section forfeits the claim for reimbursement for that assessment year. (Eff. 11/24/82, Register 84)

19 AAC 38.030. APPEAL. An Applicant for the farm use assessment and tax deferment who believes that the valuation or classification assigned to the land that is the subject of the application is erroneous may appeal to the board of equalization of the municipality in which the land is located in the manner provided by AS 29.53.130. The municipality shall request the disposition of all such appeals to the state assessor. (Eff. 12/31/75, Reg. 56)

19 AAC 38.040. MAINTENANCE OF RECORDS DUPLICATE COPIES. The municipality in which the land is located shall maintain separate files and records of all applications for the farm use assessment and tax deferment, whether allowed by the municipality or not, including valuation of the property under the full and true value standard of AS 29.53.060. Duplicate copies of all records relating to the application entered in the file shall be forwarded to the state assessor. The municipality shall investigate to determine whether title to land for which the assessment and deferment have been granted has been conveyed or alienated in such a way that the assessment or deferment may be terminated and shall advise the state assessor as to the results of its investigation. (Eff. 12/31/75, Reg. 56)

19 AAC 38.XXX. CONFIDENTIALITY. Tax records and other documents providing evidence of the applicant's eligibility for the farm use assessment and the deferment are confidential and shall be used only for the purpose of ascertaining whether the applicant is entitled to the benefits of the assessment and deferment. (REG. 12/31/??, Reg. ??)

19 AAC 38.YYY. DEFINITIONS. In this chapter

(1) "farm use assessment" means the value of the unit or parcel of property for which application for a farm use assessment and the deferment is made, based upon its highest and best use as farm or agricultural land;

(2) "penalty gross income" means the income of the applicant for the year preceding the tax year for which the application is filed and means the adjusted gross income of the applicant as defined in Section 62 of the Internal Revenue Code (26 U.S.C. 62). (REG. 12/31/??, Reg. ??)

Appendix F

LEGAL AUTHORITY FOR TAXATION

Title 29 - Municipal Government
Department of Community and Regional Affairs

Sec. 29.45.550. Cities outside boroughs. Home rule and first class cities outside boroughs may assess, levy, and collect a property tax. A property tax, if levied, must be assessed, levied, and collected as provided by AS 29.45.010-29.45.500. ($ 12 ch 74 SLA 1985)

Sec. 29.45.010. Property tax. (a) A unified municipality may levy a property tax. A borough may levy

(1) an areawide property tax for areawide functions;

(2) a nonareawide property tax for functions limited to the area outside cities;

(3) a property tax in a service area for functions limited to the service area.

(b) A home rule or first class city may levy a property tax subject to AS 29.45.440-29.45.560. A second class city may levy a property tax subject to AS 29.45.590.

(c) If a tax is levied on real property or on personal property, the tax must be assessed, levied, and collected as provided in this chapter.
($ 12 ch 74 SLA 1985)

Sec. 29.45.560 Cities inside boroughs. Home rule and first class cities inside boroughs may levy a property tax. A property tax, if levied, is subject to AS 29.45.010-29.45.050, 29.45.090-29.45.100, 29.45.250, 29.45.400-29.45.440, and 29.45.460-29.45.500. The council shall, by June 15 of each year, present to the borough assembly a statement of the city's rate of levy, unless a different date is agreed upon by the borough and city.
($ 12 ch 74 SLA 1985)

Sec. 29.45.580. Differential tax zones. A city may by ordinance establish, alter, and abolish differential tax zones to provide and levy property taxes for service not provided generally in the city or a different level of service than that provided generally in the city.
($ 12 ch 748 SLA 1985)

Sec. 29.45.650. Sales and use tax. (a) A borough may levy and collect a sales tax not exceeding six percent on sales or rents, and on services provided in the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance. ($ 12 ch 74 SLA 1985)

NOTE: Sales tax rate is not included in AS 29.13.100, Limitation of home rule powers.

POWER OF LEVY

Sec. 29.45.700. Power of levy. (a) A city in a borough that levies and collects areawide sales and use taxes may levy sales and use taxes on all sources taxed by the borough in the manner provided for boroughs, except that the assembly may by ordinance authorize a city to levy and collect sales and use taxes on other sources.

(b) A city in a borough that does not levy and collect sales and use taxes for areawide borough functions may levy and collect sales and use taxes in the manner provided for boroughs.

(c) A city outside a borough may levy and collect sales and use taxes in the manner provided for boroughs. (§ 12 ch 74 SLA 1985)

Title 43 - Oil and Gas Property Taxes
Department of Revenue

Sec. 43.56.010. Levy of tax. (a) An annual tax of 20 mills is levied each tax year beginning January 1, 1974, on the full and true value of taxable property taxable under this chapter.

(b) A municipality may levy and collect a tax under AS 29.53.045 at the rate of taxation that applies to other property taxed by the municipality. The tax shall be levied at a rate no higher than the rate applicable to other property taxable by the municipality. No municipality may exempt from taxation property authorized to be taxed under this chapter. Exemptions shall be limited to those in AS 29.53.020, 29.53.025, and AS 43.56.020 of this chapter. (§ 1 ch 1 FSSLA 1973; am § 7 ch 159 SLA 1975; am §§ 1, 2 ch 107 SLA 1976)

Sec. 43.56.040. State Assessment Review Board. The State Assessment Review Board is created within the department. The board consists of five persons appointed by the governor to serve at the pleasure of the governor, each of whom must be knowledgeable of assessment procedures. Each board member is subject to confirmation by a majority of the members of the legislature in joint session. (§ 1 ch 1 FSSLA 1973)

Sec. 43.56.200. Regulations. The board and the department may adopt regulations in accordance with the Administrative Procedure Act (AS 44.62) as appropriate to carry out their respective duties under this chapter. (§ 1 ch 1 FSSLA 1973)

DEFINITIONS OF PROPERTY

Title 29 - Municipal Government
Department of Community and Regional Affairs

Sec. 29.71.800. Definitions...

(16) "personal property" means tangible property other than real property, such as merchandise, stock in trade, machinery, equipment, furniture, fixtures, vehicles, boats, and aircraft;

(17) "property" means real and personal property;

(19) "real property" means land and improvements, all possessory rights and privileges appurtenant to the property, and includes personal property affixed to the land or improvements;...(§ 18 ch 74 SLA 1985)

Title 43 - Oil and Gas Property Taxes
Department of Revenue

Sec. 43.56.210. Definitions...

(7) "taxable property"

(A) means real and tangible personal property used or committed by contract or other agreement for use within this state primarily in the exploration for, production of, or pipeline transportation of gas or unrefined oil (except for property used solely for the retail distribution of liquefaction of natural gas), or in the operation or maintenance of facilities used in the exploration for, production of, or pipeline transportation of gas or unrefined oil; "taxable property" includes

(i) machinery, appliances, supplies, and equipment;

(ii) drilling rigs, wells (whether producing or not), gathering lines and transmission lines, pumping stations, compressor stations, power plants, topping plants, and processing units;

(iii) roads, tank farms, tanker terminals, docks and other port facilities, and air strips;

(iv) aircraft and motor vehicles owned by a person whose principal business in the state is the exploration for, production of, or pipeline transportation of gas or unrefined oil and whose operation of the aircraft or motor vehicle directly relates to the conduct of that business; and

(v) maintenance equipment and facilities, and maintenance camps and other related facilities;

Sec. 43.56.210. (vi) communications facilities owned by a person whose principal business in the state is the exploration for, production of, or pipeline transportation of gas or unrefined oil and whose operation of the communications facilities directly relates to the conduct of that business;

(B) does not include

(i) permanent residences;

(ii) office buildings requiring substantial local government services;

(iii) oil and gas pipeline systems owned and operated by a public utility that is certificated under AS 42.05.221 and is regulated by the Alaska Public Utilities Commission;

(iv) aircraft and motor vehicles, except aircraft and motor vehicles taxable under (A)(iv) of this paragraph; and

(v) communications facilities, except communications facilities taxable under (A)(vi) of this paragraph;...

(§ 1 ch 1 FSSLA 1973; am § 27 ch 208 SLA 1975; am § 8 ch 8 SLA 1977; am § 41 ch 113 SLA 1980; am § 17 ch 110 SLA 1981; am §§ 2-4 ch 117 SLA 1981)

STANDARD OF VALUE

Title 29 - Municipal Government
Department of Community and Regional Affairs

Sec. 29.45.110. Full and true value. (a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230. The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer, both conversant with the property and with prevailing general price levels. (§ 12 ch 74 SLA 1985)

Title 43 - Oil and Gas Property Taxes
Department of Revenue

Sec. 43.56.060. Assessment. (a) The department shall assess property for the tax levied under AS 43.56.010(b) and AS 29.53.045 on property used or committed by contract or other agreement for use for the pipeline transportation of gas or unrefined oil or for the production of gas or unrefined oil at its full and true value as of January 1 of the assessment year. (§ 1 ch 1 FSSLA 1973)

Title 29 - Municipal Government
Department of Community and Regional Affairs

A borough has discretion to appraise by whatever recognized method of valuation it chooses, so long as there is no fraud or clear adoption of a fundamentally wrong principle of valuation. Hoblit v. Greater Anchorage Area Borough, Sup. Ct. Op. No 636 (File No. 1214), 473 P.2d 630 (1970)

Sec. 29.45.060. Farm or agricultural land. (a) Farm use land included in a farm unit and not dedicated or being used for nonfarm purposes shall be assessed on the basis of full and true value for farm use and may not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the land for both full and true value and farm use value. If the land is sold, leased, or otherwise disposed of for uses incompatible with farm use by the owner, the owner is liable to pay an amount equal to the additional tax at the current mill levy together with eight percent interest for the preceding seven years, as though the land had not been assessed for farm use purposes. Payment by the owner shall be made to the state to the extent of its reimbursement for revenue loss under (e) of this section for the preceding seven years. The balance of the payment shall be made to the municipality.

(b) An owner of farm use land must, to secure the assessment under this section, make application to the assessor before May 15 of each year in which the assessment is desired. The application shall be made upon forms prescribed by the state assessor for the use of the local assessor, and shall include information that may reasonably be required to determine the entitlement of the applicant. If the land is leased for farm use purposes, the applicant shall furnish to the assessor a copy of the lease bearing the signatures of both lessee and lessor along with the completed application. The applicant shall furnish the assessor a copy of the lease covering the period for which the exemption is requested. (§ 12 ch 74 SLA 1985)

Legislative Resolve No. 49

Whereas in 1972 the legislature enacted AS 29.53.020(e), making my real property owned and occupied as a permanent place of abode by a qualifying resident 65 years of age or over exempt from municipal property tax; and

Whereas the legislature intended that the entire parcel of land owned by a resident 65 years of age or over be exempted from municipal property taxation, regardless of size;

Be It Resolved by the Alaska State Legislature that real property owned and occupied as a permanent place of abode by a qualifying resident 65 years of age or over shall be exempt from municipal property tax in its entirety regardless of size.

Copies of this resolution shall be sent to the governor, the commissioner of community and regional affairs, and each municipality in Alaska.

Sec. 29.45.060. (c) In this section "farm use" means the use of land for profit for raising and harvesting crops, for the feeding, breeding, and management of livestock, for dairying, or another agricultural use, or any combination of these. To be farm use land, the owner or lessee must be actively engaged in farming the land, and derive at least 10 percent of yearly gross income from the land. This section does not apply to land for which the owner has granted, and has outstanding, a lease or option to buy the surface rights. A property owner wishing to file for farm use classification having no history of farm-related income may submit a declaration of intent at the time of filing the application with the assessor setting out the intended use of the land and the anticipated percentage of income. An applicant using this procedure shall file with the assessor before February 1 of the following year a notarized statement of the percentage of gross income attributable to the farm use land. Failure to make the filing required in this subsection forfeits the exemption.

(d) In the event of a crop failure by an act of God the previous year, the owner or lessee may submit an affidavit affirming that 10 percent of his gross income for the past three years was from farming.

(e) Subject to legislative appropriations for the purpose, the state shall reimburse a borough or city, as appropriate, for the property tax revenues lost to it by the operation of this section. (§ 12 ch 74 SLA 1985)

Sec. 29.45.070. Mobile homes. Mobile homes, trailers, house trailers, trailer coaches and similar property used or intended to be used for residential, office, or commercial purposes and attached to the land or connected to water, gas, electric, or sewage facilities are classified as real property for tax purposes unless expressly classified as personal property by ordinance. This section does not apply to house trailers and mobile homes that are unoccupied and held for sale by persons engaged in the business of selling mobile homes. (§ 12 ch 74 SLA 1985)

Sec. 29.45.110. Full and true value. (b) Assessment of business inventories may be based on the average monthly method of assessment rather than the value existing on January 1. The method used to assess business inventories shall be prescribed by the governing body.

(c) In the case of cessation of business during the tax year, the municipality may provide for reassessment of business inventories using the average monthly method of assessment for the tax year rather than the value existing on January 1 of the tax year, and for reduction and refund of taxes. In enacting an ordinance authorized by this section, the municipality may prescribe procedures, restrictions, and conditions of assessing or reassessing business inventories and of remitting or refunding taxes.
(§ 12 ch 74 SLA 1985)

METHOD OF VALUATION

Title 43 - Oil and Gas Property Taxes
Department of Revenue

Sec. 43.56.060. Assessment. (b) The department shall assess property for the taxes levied under AS 43.46.010(a) at its full and true value as of January 1 of the assessment year except that in the case of taxable property used or committed by contract or other agreement for the pipeline transportation of gas or unrefined oil or for the production of gas or unrefined oil to be transported by that pipeline, the first assessment date shall be the construction commencement date. If the construction commencement date is used as the assessment date, the tax payable shall be prorated on the basis of the assessment year remaining.

(c) The full and true value of taxable property used or committed by contract or other agreement for use in the exploration for gas or unrefined oil, or in the operation or maintenance of facilities for the exploration for gas or unrefined oil, is the estimated price which the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.

(d) The full and true value of taxable property used or committed by contract or other agreement for the production of gas or unrefined o.. or in the operation or maintenance of facilities for the production of gas or unrefined oil is:

1) on the construction commencement date the actual cost incurred or accrued with respect to the property as of the date of assessment;

2) determined on each January 1 thereafter on the basis of replacement cost less depreciation based on the economic life of proven reserves.

(e) The full and true value of taxable property used or committed by contract or other agreement for pipeline transportation of gas or unrefined oil or in the operation or maintenance of facilities for the pipeline transportation of gas or unrefined oil is:

1) on the construction commencement date and until January 1 following the date the pipeline begins to transport gas or unrefined oil, the actual cost incurred or accrued with respect to the property as of the date of assessment;

2) determined on each January 1 thereafter with due regard to the economic value of the property based on the estimated life of the proven reserves of gas or unrefined oil then technically, economically and legally deliverable into the transportation facility; however, if the proven reserves of gas or unrefined oil then technically, economically and legally deliverable indicate an economic life materially shorter than the estimated physical life of the transportation facility, the full and true value is the actual cost reduced by an annual allowance for depreciation on a straight line basis over an economic life based on the actual elapsed life from the commencement of full operation to the date of assessment plus the estimated remaining life of the proven reserves of gas and unrefined oil then technically, economically and legally deliverable into the transportation facility as of the date of the assessment;

Sec. 43.56.060. 3) on the assessment date next following inability to use or construct all or a substantial part of the facility for a period of 90 or more consecutive days because of natural disaster or legal prohibition, or other events beyond the control of a person having ownership or control of the property, adjusted to take into account any diminution in value.

(f) For purposes of this section, "actual cost" and "replacement cost" do not include interest capitalized before or during the period of construction nor the value of intangible drilling expenses. In the case of taxable property under construction, "actual cost" for purposes of this section means the costs incurred or accrued with respect to the property as of the date of assessment.

(g) The department may enter into agreements with a municipality for the cooperative or joint administration of the assessing authority conferred on the department by this section. (§ 1 ch 1 FSSLA 1973)

Title 28 - Motor Vehicles
Department of Public Safety

Sec. 28.10.431. Annual Motor Vehicle Registration Tax. (a) There is levied a motor vehicle registration tax within each municipality which elects, by passage of an appropriate ordinance, to come under this section. A municipality shall file a written notice of election with the department and may not rescind the notice for a subsequent fiscal year. The notice must be filed on or before January 1 of the year preceding the year election under this section is to become effective. If a municipality has, before October 15, 1978, levied a motor vehicle registration or ad valorem tax which has been repealed by a vote of the people at any regular or special municipal election, then the election provided for in this subsection is not effective until the ordinance passed by the local governing body has been approved by the people at the next regularly scheduled general or special municipal election.

(b) The tax is levied upon motor vehicles subject to the license tax under AS 28.10.411 and 28.10.421, not including mobile homes, and is based upon the age of the vehicles as determined by model year according to the following schedule:

Tax According to the Age of Vehicle Since Model Year:

	1st	2nd	3rd	4th	5th	6th	7th	8th or over
Motor Vehicle								
(1) motorcycle	$ 8	$ 7	$ 6	$ 6	$ 4	$ 3	$ 2	$ 2
(2) vehicles specified in AS 28.10.421(b)(1)	$60	$50	$40	$30	$20	$15	$10	$5
(3) vehicles specified in AS 28.10.421(b)(3)	$60	$50	$40	$30	$20	$15	$10	$5
(4) vehicles specified in AS 28.10.421(c) (1)-(4)								
5,000 pounds or less	$60	$50	$40	$30	$20	$15	$10	$5
5,001-12,000 pounds	$100	$80	$60	$50	$40	$30	$30	$10
12,001-18,000 pounds	$150	$120	$100	$80	$60	$40	$30	$20
18,001 pounds or over	$200	$160	$130	$100	$80	$60	$40	$20
(5) vehicles specified in AS 28.10.421(b)(4)	$100	$80	$60	$50	$40	$30	$30	$10
(6) vehicles specified in AS 29.10.421(b)(6)	$ 8	$ 7	$ 6	$ 6	$ 4	$ 3	$ 2	$ 2
(7) vehicles specified in AS 28,10.420(d)(9)	$60	$50	$40	$30	$20	$15	$10	$5
(8) vehicles specified in AS 28.10.421(b)(2)	$60	$50	$40	$30	$20	$15	$10	$5
(9) vehicles specified in AS 29.10.421(d)(10)	$40							

METHOD OF VALUATION

Sec. 28.10.431. (c) The registration tax shall be levied, collected, enforced and otherwise administered in the same manner as provided for the registration fees in this chapter. Only one registration tax may be collected with respect to the same motor vehicle in the year for which the tax is paid.

(d) If a person has paid both the registration fee levied in AS 28.10.411 and 28.10.421 and the registration tax levied in this section, and the department determines that the payor is entitled to a refund in whole or part of the registration tax, the department shall make the refund to which the person is entitled. A refund may not be made unless application for a refund is filed with the department by December 31 of the year following the year for which the refund is claimed.

(e) The department shall refund money collected under this section, less five percent as collection costs, to a municipality for which the money was collected, as determined by (1) the address of residence of an individual required to pay the tax, or (2) the situs of the vehicle if the vehicle is not owned by an individual; the tax situs is the location at which the motor vehicle is usually, normally, or regularly kept or used. For the first year in which the tax is levied within a municipality, the department may retain actual costs of collection of the tax within the municipality as determined by the department.

(f) Money received by an organized borough under this section shall be allocated by the borough by ordinance for city, area outside city, and service area purposes within the borough.

(g) Payment of the registration tax is in lieu of all local use taxes and ad valorem taxes on motor vehicles subject to the tax. A municipality which elects to come under the provision of this section may not levy use or ad valorem taxes on motor vehicles subject to the registration tax during a fiscal year in which the election is in effect.

REQUIRED EXEMPTIONS

Title 29 - Municipal Government
Department of Community and Regional Affairs

Sec. 29.45.030. Required exemptions. (a) The following property is exempt from general taxation:

(1) municipal, state or federally owned property, except that private a leasehold, contract, or other interest in the property shall be taxable to the extent of the interest;

(2) household furniture of the head of a family or household;

(3) property used exclusively for nonprofit religious, charitable, cemetery, hospital or educational purposes;

(4) property of a nonbusiness organization or its auxiliary composed entirely of persons with 90 days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable;

(5) money on deposit;

(6) the real property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section;

(7) real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended.

(b) In (a) of this section, "property used exclusively for religious purposes" includes the following property owned by a religious organization:

(1) the residence of a bishop, pastor, priest, rabbi, minister or religious order of a recognized religious organization;

(2) a structure, its furniture and its fixtures used solely for public worship, charitable purposes, religious administrative offices, religious education, or a nonprofit hospital;

(3) lots required by local ordinance for parking near a structure defined in (2) of this subsection.

(c) Property described in (a)(3) or (4) of this section from which income is derived is exempt only if that income is solely from use of the property by nonprofit religious, charitable, hospital, or educational groups. If used by nonprofit educational groups, the property is exempt only if used exclusively for classroom space.

(d) Laws exempting certain property from execution under the Code of Civil Procedures (AS 09) do not exempt the property from taxes levied and collected by municipalities.

REQUIRED EXEMPTIONS

Sec. 29.45.030. (e)* The real property owned and occupied as the primary residence and permanent place of abode by a (1) resident 65 years of age or older; (2) disabled veteran; or (3) resident at least 60 years old who is the widow or widower of a person who qualified for an exemption under (1) or (2) of this subsection, is exempt from taxation on the first $150,000 of the assessed value of the real property. A municipality may, in a case of hardship, provide for exemption beyond the first $150,000 of assessed value in accordance with regulations of the department. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves who is to receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560-44.62.570.

(f) An exemption may not be granted under (e) of this section except upon written application for the exemption on a form prescribed by the state assessor for use by local assessors. The claimant must file the application no later than January 15, or a date provided by ordinance that is not later than March 31, of the assessment year for which the exemption is sought. The governing body of the municipality for good cause shown may waive during a year the claimant's failure to make timely application for exemption for that year and authorize the assessor to accept the application as if timely filed. The claimant must file a separate application for each assessment year in which the exemption is sought. If an application is filed within the required time and is approved by the assessor, he shall allow an exemption in accordance with the provisions of this section. If a failure to file by January 15, or a date provided by ordinance that is not later than March 31, of the assessment year has been waived as provided in this subsection and the application for exemption is approved, the amount of tax that the claimant has already paid for the assessment year for the property exempted shall be refunded to the claimant. The assessor shall require proof in the form the assessor considers necessary of the right to and amount of an exemption claimed under (e) of this section, and shall require a disabled veteran claiming an exemption under (e) of this section to provide evidence of the disability rating. The assessor may require proof under this section at any time.

(g) The state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of (e) of this section. However, reimbursement will be made to a municipality for revenue lost to it only to the extent that the loss exceeds an exemption which was granted by the municipality, or that on proper application by an individual would have been granted under AS 29.45.050(a). If appropriations are not sufficient to fully fund reimbursements under this subsection, the amount available shall be distributed pro rata among eligible municipalities.

*Sec. 29.45.030(e) amended effective 1/1/87 (§ 3 ch 70 SLA 1986).

Sec. 29.45.030. (h) Except as provided in (g) of this section, nothing in (e)-(j) of this section affects similar exemptions from property taxes granted by a municipality on September 10, 1972, or prevents a municipality from granting similar exemptions by ordinance as provided in AS 29.45.050.

(i) In (e)-(i) of this section

(1) "disabled veteran" means a disabled person separated from the military service of the United States under a conditions that is not dishonorable who is a resident of the state, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated as 50 percent or more by the branch of service in which that person served or by the Veterans' Administration.

(2) "real property" includes but is not limited to mobile homes, whether classified as real or personal property for municipal tax purposes.

(j) One motor vehicle per household owned by a resident 65 years of age or older on January 1 of the assessment year is exempt either from taxation on its assessed value or from the registration tax under AS 28.10.431. An exemption may be granted under this subsection only upon written application on a form prescribed by the Department of Public Safety. The state shall reimburse a municipality for tax revenues lost to it because of the exemption required by this subsection. Reimbursement to a municipality equals the amount of registration tax authorized under AS 28.10.431(b) for each vehicle exempted under this subsection.

(k) The department shall adopt regulations to implement the provisions of (g) and (j) of this section.

(l) Two percent of the assessed value of a structure is exempt from taxation if the structure contains a fire protection system approved under AS 18.70.081, in operating condition, and incorporated as a fixture or part of the structure. The exemption granted by this subsection is limited to

(1) an amount equal to two percent of the value of the structure based on the assessment for 1981, if the fire protection system is a fixture of the structure on January 1, 1981; or

(2) an amount equal to two percent of the value of the structure based on the assessment as of January 1 of the year immediately following the installation of the fire protection system if the fire protection system becomes a fixture of the structure after January 1, 1981.

(§ 12 ch 74 SLA 1985; am §§ 1, 2 ch 91 SLA 1985)

Sec. 29.46.090. Exemption. Effective 1/1/87 this section is repealed. (§ 6 ch 70 SLA 1985)

REQUIRED EXEMPTIONS

Title 43 - Oil and Gas Property Taxes
Department of Revenue

Sec. 43.56.020. Exemptions. (a) The following are exempt from local taxes levied or authorized under AS 43.45.010(b):

(1) property rights attached to or inherent in the right to explore for or produce oil or gas;

(2) oil or gas leases or properties, whether producing or not;

(3) oil or gas in place;

(4) oil or gas produced or extracted in the state;

(5) the value of intangible drilling expenses and exploration expenses;

(6) an interest in property described in AS 43.55.010(b).

(b) There is exempt from state taxes levied or authorized under AS 43.45.010(a), before the construction commencement date, property which is committed by contract or other agreement for use in this state primarily for the production or pipeline transportation of gas or unrefined oil, or in the operation or maintenance of facilities for the production or pipeline transportation of gas or unrefined oil.

(c) In (a)(2) of this section, "properties" means mineral interests in oil and gas and working interests, royalty interests, and overriding royalty interests in oil and gas leases. (§ 1 ch 1 FSSLA 1973; am § 26 ch 208 SLA 1975)

Sec. 43.56.030. In place of other taxes. Except for those taxes imposed under AS 43.55 and AS 43.57, the taxes levied or authorized under AS 43.56.010(b) are in place of

(1) all other ad valorem taxes or other taxes imposed by a municipality on property subject to tax under this chapter or exempted from taxation by AS 43.56.020, and

(2) all other taxes imposed by a municipality on or with respect to the property subject to tax under this chapter or exempted from taxation by AS 43.56.020, including, but not limited to,

(A) taxes on the retail sale or use of the property except for the retail sales tax on the first $1,000 of each sale;

(B) taxes on the sale or use of gas or unrefined oil;

(C) taxes on the sale or use of services used in or associated with the property or in its maintenance or operation except for the sales tax on the first $1,000 of each sale;

(D) taxes on or measured by gross or net income from the property, including income from the exploration for, production of, or pipeline transportation of gas or unrefined oil or property; and

(E) any license, excise, fee, charge or other tax on or pertaining to the property or services. (§ 1 ch 1 FSSLA 1973; am § 55 ch 127 SLA 1974)

REQUIRED EXEMPTIONS

Title 10 - Corporations and Associations
Department of Commerce and Economic Development

Sec. 10.25.540. Taxation of cooperatives. (a) Cooperatives under this chapter shall apply for a business license and pay the initial license fee as provided by the Alaska Business License Act (AS 43.70), as amended.

(b) Before March 1 of each year,

(1) each telephone cooperative shall pay to the state, instead of state and local ad valorem, income and excise taxes which may be assessed or levied, a percentage of its gross revenue earned during the preceding calendar year.

(2) each electric cooperative shall pay to the state, instead of state and local ad valorem, income and excise taxes which may be assessed or levied, a tax on the number of kilowatt hours of electricity sold at retail by the cooperative during the preceding calendar year.
(§ 33 ch 93 SLA 1959; am § 1 ch 66 SLA 1960; am § 1 ch 74 SLA 1980))

Sec. 10.30.060. Power to acquire and dispose of lands, and exemption from execution, taxation and public appropriation. A cemetery association or nonprofit cemetery corporation may buy or take by gift or devise, and hold, land not exceeding 80 acres, for the sole purpose of a cemetery. The land is exempt from execution, and from any appropriation to public purposes, and from taxation if intended to be used exclusively for burial purposes and in no way for the profit of the members of the association or trustees, officers or employees of the corporation. (§ 36-5-5 ACLA 1949; am § 2 ch 107 SLA 1984))

CONSTITUTION OF THE STATE OF ALASKA

Article XII. General Provisions. Section 12. Disclaimer and Agreement. The State of Alaska and its people forever disclaim all right and title in or to any property belonging to the United States, or subject to its disposition, and not granted or confirmed to the State or its political subdivisions, by or under the act admitting Alaska to the Union. The State and its people further disclaim all right or title in or to any property, including fishing rights, the right or title to which may be held by or for any Indian, Eskimo, or Aleut, or community thereof, as that right or title is defined in the act of admission. The State and its people agree that, unless otherwise provided by Congress, the property, as described in this section, shall remain subject to the absolute disposition of the United States. They further agree that no taxes will be imposed upon any such property, until otherwise provided by the Congress. This tax exemption shall not apply to property held by individuals in fee without restrictions on alienation.

REQUIRED EXEMPTIONS

ALASKA NATIVE LAND CLAIMS SETTLEMENT ACT

Public Law 92-203, 92nd Congress, First Session. Section 21. Taxation. (d) Real property interests conveyed, pursuant to this Act, to a Native individual, Native group, or Village, or Regional Corporation which are not developed or leased to third parties, shall be exempt from State and local real property taxes for a period of twenty years after the date of enactment of this Act: Provided, That municipal taxes, local real property taxes, or local assessments may be imposed upon leased or developed real property within the jurisdiction of any governmental unit under the laws of the State: Provided further, That easements, rights-of-way, leaseholds, and similar interests in such real property may be taxed in accordance with State or local law. All rents, royalties, profits, and other revenues or proceeds derived from such property interests shall be taxable to the same extent as such revenues or proceeds are taxable when received by a non-Native individual or corporation.

(e) Real property interests conveyed pursuant to this Act to a Native individual, Native group, or Village, or Regional Corporation shall, so long as the fee therein remains not subject to State to local taxes on real estate, continue to be regarded as public lands for the purpose of computing the Federal share of any highway project pursuant to Title 23 of the United States Code, as amended and supplemented, for the purpose of the Johnson O.Malley Act of April 16, 1934, as amended (25 U.S.C.452). for the purpose of Public Laws 815 and 874, 81st Congress (64 Stat. 967, 1100), and so long as there are also no substantial revenues from such lands, continue to receive forest fire protection services from the United States at no cost.

OPTIONAL EXEMPTIONS

Title 29 - Municipal Government
Department of Community and Regional Affairs

Sec. 29.45.050. Optional exemptions and exclusions. (a) A municipality may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at an election. An exclusion or exemption authorized by this section may not exceed the assessed value of $10,000 for any one residence.

(b) Municipalities may by ordinance

(1) classify boats and vessels for purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certificated net tonnage;

(2) classify and exempt from taxation

(A) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes if the income derived from rental of that property does not exceed the actual cost to the owner of the use by the renter;

(B) historic sites, buildings and monuments;

(C) land of a nonprofit organization used for agricultural purposes if rights to subdivide the land are conveyed to the state and the conveyance includes a covenant restricting use of the land to agricultural purposes only; rights conveyed to the state under this subparagraph may be conveyed by the state only in accordance with AS 38.05.069(c);

(3) exempt personal property from taxation;

(4) exempt business inventories from taxation;

(5) classify as to type and exempt or partially exempt any or all types of motor vehicles from taxation.

(c) The provisions of (a) of this section notwithstanding,

(1) a borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of a city in the borough, including but not limited to, excluding personal property from taxation, establishing exemptions, and extending the redemption period;

(2) a home rule or first class city has the same power to grant exemptions or exclude property from borough taxes that it has as to city taxes if

(A) the exemptions or exclusions have been adopted as to city taxes; and

(B) the city appropriates to the borough sufficient money to equal revenues lost by the borough because of the exemptions or exclusions, the amount to be determined annually by the assembly;

(3) a city in a borough may, by ordinance adjust its property tax structure in whole or in part to the property tax structure of the borough, including but not limited to exempting or partially exempting property from taxation.

OPTIONAL EXEMPTIONS

Sec. 29.45.050. (d) Exemptions or exclusions from property tax that have been granted by a home rule municipality in addition to exemptions authorized or required by law, and that are in effect on September 10, 1972, and not later withdrawn, are not affected by this chapter.

(e) A municipality may by ordinance classify and exempt or partially exempt from taxation privately owned land, wet land and water areas for which a scenic, conservation, or public recreation use easement is granted to a governmental body. To be eligible for a tax exemption, or partial exemption, the easement must be in perpetuity. However, the easement is automatically terminated before an eminent domain taking of fee simple title or less than fee simple title to the property, so that the property owner is compensated at a rate which does not reflect the easement grant.

(f) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if an increase in assessed value is directly attributable to alteration of the natural features of the land, or new maintenance, repair or renovation of an existing structure, and if the alteration, maintenance, repair, or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. An exemption may not be allowed under this subsection for the construction of an improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use in the structure or for the alteration of land as a consequence of construction activity. An exemption provided in this subsection may continue for up to four years from the date the improvement is completed, or from the date of approval for the exemption by the local assessor, whichever is later.

(g) A municipality may by ordinance exempt from taxation all or part of the increase in assessed value of improvements to a single-family dwelling if the principal purpose of the improvement is to increase the amount of space for occupancy. An exemption provided in this subsection may continue for up to two years from the date the improvement is completed, or from the date of approval of an application for the exemption by the local assessor, whichever is later. (§ 12 ch 74 SLA 1985; am §1 ch 103 SLA 1985))

Sec. 29.45.230. Tax adjustments on property affected by a natural disaster. (a) The municipality may provide for assessment or reassessment and reduction of taxes for property destroyed, damaged, or otherwise reduced in value as a result of a natural disaster.

(b) An assessment or reassessment under this section may be made by the assessor only upon the receipt of a sworn statement of the taxpayer that losses exceed $1,000. A reduction of taxes may be made only on losses in excess of $1,000 for the remainder of the year following the disaster. On reassessment, the municipality shall recompute this tax and refund taxes that have already been paid.

(c) The municipality shall give notice of assessment or reassessment under this section and shall hold an equalization hearing as provided in this chapter, except that a notice of appeal must be filed with the board of equalization within 10 days after notice of assessment or reassessment is given to the person appealing. Otherwise, the right of appeal ceases unless the board finds that the taxpayer is unable to comply.

OPTIONAL EXEMPTIONS

Sec. 29.45.230. (d) In enacting an ordinance or resolution authorized by this section the municipality may, consistent with this section, prescribe procedures, restrictions, and conditions of assessing or reassessing property and of remitting, refunding, or forgiving taxes.

(e) In this section "disaster" means a major disaster declared by the President of the United States under the provisions of 42 U.S.C. sec. 1855-1855g (Federal Disaster Act of 1950), or other federal law, or a disaster declared by the governor under AS 26.23.010-26.23.110. (§ 12 ch 74 SLA 1985)

Title 29 - Municipal Government
Department of Community and Regional Affairs

Sec. 29.45.590. Limited property taxing power for second class cities. A second class city may by referendum levy property taxes as provided for first class cities. However, levy by a second class city may not exceed one-half of one percent of the assessed valuation of the property taxed, except that the limit does not apply to a levy necessary to avoid a default upon payment of principal and interest of bonded or other indebtedness that is secured by a pledge to levy ad valorem or other taxes without limit to meet debt payments. (§ 12 ch 74 SLA 1985)

Sec. 29.45.080. Tax on oil and gas production and pipeline property. (a) A municipality may levy and collect taxes on taxable property taxable under AS 43.56 only by using one of the methods set out in (b) or (c) of this section.

(b) A municipality may levy and collect a tax on the full and true value of taxable property taxable under AS 43.56 as valued by the Department of Revenue at a rate not to exceed that which produces an amount of revenue from the total municipal property tax equivalent to $1,500 a year for each person residing in its boundaries. (§ 12 ch 74 SLA 1985)

(c) A municipality may levy and collect a tax on the full and true value of that portion of taxable property taxable under AS 43.56 as assessed by the Department of Revenue which value, when combined with the value of property otherwise taxable by the municipality, does not exceed the product of 225 percent of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the taxing municipality.

(d) By February 1 of each assessment year a taxing municipality must inform the Department of Revenue which method of taxation the municipality will use.

(e) For purposes of this section, population shall be determined by the Commissioner of Community and Regional Affairs based on the latest statistics of the United States Bureau of the Census or on other reliable population data, and the commissioner shall advise each municipality by January 15 of each year. (§ 12 ch 74 SLA 1985)

Sec. 29.45.090. Tax limitation. (a) A municipality may not, during a year, levy and tax for any purpose in excess of the three percent of the assessed value of property in the municipality. All property on which a tax is levied shall be taxed at the same rate during the year.

(b) A municipality, or combination of municipalities occupying the same geographical area, in whole or in part, may not levy taxes

(1) that will result in tax revenues from all sources exceeding $1,500 a year for each person residing within the boundaries; or

Sec. 29.45.090. (2) upon value that, when combined with the value of property otherwise taxable by the municipality, exceeds the product of 225 percent of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the taxing municipality.

(c) The commissioner shall apportion the lawful levy and equitably divide the tax revenues on the basis of need, services performed, and other considerations in the public interest if two or more municipalities occupying the same geographical area, in whole or in part, attempt to levy a tax

(1) the combined levy of which would result in tax revenues from all sources exceeding $1,500 a year for each person residing within the municipal boundaries; or

(2) upon value that, when combined with the value of property otherwise taxable by the municipality, exceeds the product of 225 percent of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the taxing municipality.
(§ 12 ch 74 SLA 1985)

(d) For the purpose of (b) and (c) of this section, population shall be determined by the commissioner based on the latest statistics of the United States Bureau of the Census or on other reliable population data.
(§ 12 ch 74 SLA 1985)

Sec. 29.45.100. No limitations on taxes to pay bonds. The limitations provided for in AS 29.45.080-29.45.090 do not apply to taxes levied or pledged to pay or secure the payment of the principal and interest on bonds. Taxes to pay or secure the payment of principal and interest on bonds may be levied without limitation as to rate or amount, regardless of whether the bonds are in default or in danger of default. (§ 12 ch 74 SLA 1985).

Title 43 - Oil and Gas Property Taxes
Department of Revenue

Sec. 43.56.010. Levy of tax. (b) A municipality may levy and collect a tax under AS 29.53.045 at the rate of taxation that applies to other property taxed by the municipality. The tax shall be levied at a rate no higher than the rate applicable to other property taxable by the municipality. No municipality may exempt from taxation property authorized to be taxed under this chapter. Exemptions shall be limited to those in AS 29.53.020, 29.53.025 and AS 43.56.020.

(c) If the total value of assessed property of a municipality taxing under AS 29.53.045(c) exceeds the product of 225 percent of the average per capita assessed full and true value of property in the state (to be determined by the department and reported to each municipality by January 15 of each year) multiplied by the number of residents of the taxing municipality, the department shall designate the portion of the tax base against which the local tax may be applied. For purposes of this subsection the average per capita assessed full and true value of property in the state shall be calculated without regard to the assessed value of taxable property under AS 43.58.

Sec. 43.56.010. (d) A tax paid to a municipality under AS 29.53.045 on or before June 30 of the tax year shall be credited against the tax levied under (a) of this section for the tax year. If, however, a tax is not paid to a municipality until after June 30 of the taxable year, the department upon application shall refund to the taxpayer the amount of tax paid to the municipality under AS 29.53.045. The credit or refund of taxes paid to the municipality may not exceed the total amount of tax levied by the department upon the taxpayer for the tax year, under (a) of this section.
(§ 1 ch 1 FSSLA 1973; am § 7 ch 159 SLA 1975; am §§ 1, 2 ch 107 SLA 1976))

Sec. 43.56.135. Certification. No later than June 1 of each year, the department shall certify the final assessment roll and mail to the owner of the taxable property or his authorized agent a statement of the amount of tax due. (§ 4 ch 107 SLA 1976)

Sec. 43.56.150. Collection and deposit. (a) The tax levied by AS 43.56.010(a) is payable to the department on or before June 30 of the taxable year.

Appendix G

ALASKA PROPERTY
TAXING JURISDICTIONS
MAILING LIST

APPENDIX G

ALASKA PROPERTY TAXING JURISDICTIONS MAILING LIST

STATE OIL AND GAS

Alaska Department of Revenue
Petroleum Revenue Division
201 E. 9th Avenue
Anchorage, Alaska 99501
(Statewide oil and gas
property tax only)

BOROUGHS

Phil Weber, Director
Property Appraisal Division
Municipality of Anchorage
P.O. Box 196650
Anchorage, Alaska 99519-6650

Robert W. Kern
Director of Assessments
Ketchikan Gateway Borough
344 Front Street
Ketchikan, Alaska 99901

George Castaneda, Finance Officer
Bristol Bay Borough
P.O. Box 189
Naknek, Alaska 99633

Wayne Haerer, Assessor
Kodiak Island Borough
P.O.Box 1246
Kodiak, Alaska 99615

V. Lenny Reagin, Assessor
Fairbanks North Star Borough
P.O. Box 1267
Fairbanks, Alaska 99707

Gary Lewis, Assessor
Matanuska-Susitna Borough
P.O. Box 1608
Palmer, Alaska 99645

Ken Bryant, Assessor
Haines Borough
Box 1209
Haines, Alaska 99827

Charles Hopson, Assessor
North Slope Borough
P.O. Box 69
Barrow, Alaska 99723

Chris Follis, Assessor
City and Borough of Juneau
155 South Seward Street
Juneau, Alaska 99801

Steve Reuter, Assessor
City and Borough of Sitka
P.O. Box 79
Sitka, Alaska 99835

Don Thomas, Assessor
Kenai Peninsula Borough
P.O. Box 850
Soldotna, Alaska 99669

ALASKA TAXABLE 1986

State of Alaska
Department of Community & Regional Affairs
Division of Municipal & Regional Assistance
Office of the State Assessor
P.O. Box BH
Juneau, Alaska 99811